#### BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

Agreements Adopted by the Traffic Conferences of the International Air Transport Association

Docket OST-2003-

## APPLICATION FOR APPROVAL OF AGREEMENTS BY THE INTERNATIONAL AIR TRANSPORT ASSOCIATION

7 February 2003

Communications with respect to this document should be sent to:

David M. O'Connor Senior Director, United States International Air Transport Association 1776 K St. N.W. Suite 400 Washington, D.C. 20006

(202) 293-9292

Summary DOCKET: **OST-2003-** DOT ORDER: **pending** 

Date: 7 February 2003

Filing fee/IATA Acct: \$61 - 2003-76

US/UST involved: Yes

End of Government Filing Period: 6 September 2002 Meeting site/date: The Hague, 27-31 May 2002

Intended effective date: 1 October 2002

Agreement: CTC COMP 0396 dated 21 June 2002

Composite Cargo Resolution 502 R1

Correction: CTC COMP 0404 dated 9 July 2002 Minutes: CTC COMP 0400 dated 25 June 2002

Airline Economic Justifications:

American, Delta, FedEx and United

#### <u>APPLICATION FOR APPROVAL OF AGREEMENT</u>

Pursuant to statements submitted by Member airlines of the International Air Transport Association (IATA), the undersigned has been constituted to be their attorney-in-fact for filing with the Department of Transportation copies of agreements adopted by the IATA Traffic Conferences.

On their behalf, and pursuant to Sections 41308 and 41309 of Title 49 of the United States Code and Parts 303.03, 303.05 and 303.30(c) of Title 14 of the Code of Federal Regulations, I am filing with the Department this application for approval of an IATA agreement.

This agreement and related factual and explanatory material and documentation required by 14 C.F.R. 303.31 and Department and Civil Aeronautics Board (CAB) precedent are contained in the IATA Traffic Conference documentation summarized above.

This agreement arises from the continuing process of Tariff Coordinating Conferences and was developed in the context of prior Department and CAB rulings addressing related resolutions which reflected regulatory and market conditions then in effect. Thus, the present agreement should be viewed as part of a dynamic process of IATA Member airline adjustment to governmental and economic factors.

On previous occasions, the Department has found such agreements to be consistent with the public interest when they do not result in fares or rates that are unlawful or injurious to competition in the markets at issue. Approval of the present agreement would not yield fares or rates that are unlawful or injurious to competition. Moreover, approval of this agreement, which reflects compromises among the differing economic and social philosophies of the many nations whose airlines are parties, will advance the public interest in maintaining good aviation relations with other countries.

We request early approval by the Department of the foregoing agreement, pursuant to 49 U.S.C. 41309, and the grant of full antitrust immunity, pursuant to 49 U.S.C. 41308.

The conferral of full antitrust immunity would be in the public interest and necessary for the transaction to proceed. This agreement is a product of the IATA Tariff Coordinating Conferences which the Department found to be anticompetitive but nevertheless approved and immunized in Order 85-5-32 (May 6, 1985) on foreign policy and comity grounds because such action is necessary to achieve the serious transportation need of maintaining good aviation relations with other countries and these benefits are not obtainable by reasonably available means having materially less anticompetitive effects.

Insofar as this agreement concerns fares or rates between non-U.S. points, in which respect they have at most indirect application in foreign air transportation, the U.S. authorities have recognized (e.g, Order 79-8-194, 30 August 1979) that the interests of other sovereign nations in the conditions governing air transportation between them greatly exceed any that the U.S. might have by reason of U.S. airline, citizen or shipper participation. This agreement is not adverse to the public interest or in violation of the Act and, therefore, full immunity should be granted.

Respectfully submitted:

David M. O'Connor Senior Director, United States International Air Transport Association Attorney-in-fact

#### **CERTIFICATE OF SERVICE**

A copy of this application or a summary notice thereof has been served by first class or priority mail on the following person:

Chief, Transportation, Energy & Agriculture Section Antitrust Division Department of Justice Washington D.C. 20530

David M. O'Connor

7 February 2003 Date Served



#### International Air Transport Association

IATA Centre, Route de l'Aéroport 33 P.O. Box 416 CH-1215 Geneva 15 Airport Switzerland

21 June 2002

#### MEMORANDUM

CTC COMP 0396

TO: Members Participating in Tariff Coordinating Conferences (SC-0232)

FROM: Director, Interline & Revenue Management Services

SUBJECT: Composite Cargo Tariff Coordinating Conference

The Hague, 27-31 May 2002 Composite Resolution 502

Intended Effective Date: 1 October 2002

Attached is Composite Resolution 502 which was adopted at the above meeting for an intended effective date of 1 October 2002.

The filing period for the attached Resolution ends **6 September 2002**. Members are reminded of their obligations under Resolutions 001 and 006 to advise this office by the end of the filing period whether approval by their Government authorities is required and, if so, to accomplish the necessary filing formalities. The effective date will be declared in accordance with Resolutions 001 and 006, when all the known necessary Government approvals have been received.

Rodney Gill Assistant Director, Industry Affairs Interline & Revenue Management Services

#### RESOLUTION FINALLY ADOPTED AT

### COMPOSITE CARGO TARIFF COORDINATING CONFERENCE

#### THE HAGUE, 27-31 MAY 2002

INTENDED EFFECTIVE DATE: 1 OCTOBER 2002

Filing Period: 23 July 2002 - 6 September 2002

RESO	TITLE	PAGE
502	Low Density Cargo	1

#### LOW DENSITY CARGO

CTC1(46) <b>502</b>				Amending
CTC2(56) <b>502</b>				
CTC3(46) <b>502</b>				
CTC12(67) <b>502</b>				
CTC23(56) <b>502</b>				
CTC31(50) <b>502</b>				
CTC123(60) <b>502</b>				
Filing Period	Begins	23 July 2002	Intended Effectiveness	1 October 2002
	Ends	6 September 2002	Expiry	Indefinite
				Type B

RESOLVED that, Resolution 502 is amended as follows

#### 1 Paragraph 1) is amended

- 1) except as provided in Paragraph 3), consignments the extreme dimensions of which average more than 6,000 5,000 cubic cm (366 305 cubic in) per kg (166 138 cubic in per lb) shall be charged for on the basis that each 6,000 5,000 cubic cm (366 305 cubic in) equal one kg or 166 138 cubic in equal one lb, the resulting equivalents in kg or lb to be rounded up to the next higher full/half kg or full lb
- 2 Paragraph 2) is deleted and subsequent Paragraph is renumbered

#### 2) TC3, TC23, TC31, TC123

with respect to the carriage of garments in garment bags, TC Members having an office or a General Sales Agent in or operating scheduled services from the point of origin in TC3 may by unanimous local agreement establish a volume for each type of garment bag employed by shippers, from which the minimum chargeable weight of each such garment bag shall be calculated in accordance with the provisions of this Resolution. The head office of a nominated TC Member shall notify the Secretary, for circulation to all TC Members, full details of such local agreement(s)

#### 3 Paragraph 4) is deleted

4) should any TC Member(s) offer to the shipping public an international rate structure reflecting a more liberal low density rule, any TC Member may give notice to the Secretary of such rule, with full reasons, for immediate circulation to all TC Members. This Resolution shall automatically become null and void 30 days after the Secretary's notice, unless the more liberal low density rule is withdrawn for use by the shipping public

### Composite Meeting of Cargo Tariff Coordinating Conferences The Hague, 27-31 May 2002

### **Summary of Agreement** Memorandum CTC COMP 0396

#### Resolution 502 - Low Density Cargo

To meet current requirements, amend the density rule from 6,000 cubic cm. to 5,000 cubic cm.

Eliminate unnecessary regulations



#### International Air Transport Association

IATA Centre, Route de l'Aéroport 33 P.O. Box 416 CH-1215 Geneva 15 Airport Switzerland

9 July 2002

#### MEMORANDUM

CTC COMP 0404

TO: Members Participating in Tariff Coordinating Conferences (SC-0239)

FROM: Director, Interline & Revenue Management Services

SUBJECT: Composite Cargo Tariff Coordinating Conference

The Hague, 27-31 May 2002 Composite Resolution 502

Intended Effective Date: 1 October 2002

#### **TECHNICAL CORRECTION**

Members are referred to Memorandum CTC COMP 0396 dated 21 June 2002 which circulated the Composite Resolution 502 and are requested to note the following technical correction and to file it with their Government Authorities wherever necessary.

#### Page Reso Correction

- 1 502 Paragraph 1) should read as follows
  - 1) except as provided in Paragraph 3) 2), consignments the extreme dimensions of which average more than 6,000 5,000 cubic cm (366 305 cubic in) per kg (166 138 cubic in per lb) shall be charged for on the basis that each 6,000 5,000 cubic cm (366 305 cubic in) equal one kg or 166 138 cubic in equal one lb, the resulting equivalents in kg or lb to be rounded up to the next higher full/half kg or full lb

Rodney Gill Assistant Director, Industry Affairs Interline & Revenue Management Services



#### International Air Transport Association

IATA Centre, Route de l'Aéroport 33 P.O. Box 416 CH-1215 Geneva 15 Airport Switzerland

25 June 2002

#### MEMORANDUM

CTC COMP 0400

TO: Members Participating in Tariff Coordinating Conferences

FROM: Director, Interline & Revenue Management Services

SUBJECT: Composite Meeting of Cargo Tariff Coordinating Conferences

The Hague, 27-31 May 2002

**Composite Minutes** 

Attached are the Minutes of the Composite Meeting of Cargo Tariff Coordinating Conferences which was held in The Hague, 27-31 May 2002 under the Chairmanship of Mr C Finemore (QF).

Rodney D. Gill Assistant Director, Industry Tariff Affairs Interline & Revenue Management Services

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#### COMPOSITE MEETING OF CARGO TARIFF COORDINATING CONFERENCES

#### THE HAGUE, 27-31 MAY 2002

#### MINUTES

#### **OPENING OF MEETING**

The Chairman, Mr C Finemore (QF), opened the Composite Meeting of Cargo Tariff Coordinating Conference at 0930 hours on Monday, 27 May 2002. The Conferences had been convened by message TV/6420, dated 22 February 2002 and confirmed by Memorandum CTC COMP 0382, dated 12 March 2002 and comprised the following:

46th Meeting of Cargo Tariff Coordinating Conference 1 56th Meeting of Cargo Tariff Coordinating Conference 2 46th Meeting of Cargo Tariff Coordinating Conference 3 67th Meeting of Cargo Tariff Coordinating Conference 12 56th Meeting of Cargo Tariff Coordinating Conference 23 50th Meeting of Cargo Tariff Coordinating Conference 31 60th Meeting of Cargo Tariff Coordinating Conference 123

#### **US DoT**

As with all traffic conference meetings, this meeting had immunity from US anti-trust laws, on the condition that all agreements were submitted for specific approval by the US authorities. IATA would submit the agreements to the DoT in accordance with this condition. Consistent with this, IATA's Board of Governors had determined that any agreement reached at this meeting must not be put into effect prior to its declaration of effectiveness. This ruling was contained in the Provisions for the Conduct of the IATA Traffic Conferences and must be complied with to ensure continued immunity.

#### **European Commission**

The European Commission had withdrawn the ability for airlines to establish multilateral rates between countries in the ECAA. Effective 1 February 2002, it became the responsibility of each airline to establish its own rates for these routes. The countries involved are listed in Resolution 012 under the term ECAA.

#### Handling of Alliance/Non-Alliance discussions

4 Since the last Composite Cargo meeting in 2000 the scope of the Alliance Agreements between the USA and other countries had changed. At the time of the 2002 meeting several Resolutions that had previously applied only to non-Alliance countries now covered some Alliance countries while those applicable to the Alliance countries now included countries where an Alliance was no longer applicable.

- In order to accommodate this situation it was recommended that all rating Resolutions be established with common Resolution Numbers to cover both non-Alliance countries and Alliance countries.
- This was agreed and on this basis the minutes reflect the discussions under a single reference. However for discussions and voting on rates and charges between USA/US Territories and Austria, Chile, Czech Republic, Faroe Islands, France, French Guiana, Germany, Greenland, Guadaloupe, Iceland, Italy, Malaysia, Martinique, Mayotte, Monaco, Netherlands, New Zealand, Panama, Reunion, Scandinavia, St. Pierre & Miquelon the following carriers present at the meeting and who are parties to the Alliances were not in attendance: Austrian Airlines, Air France, Alitalia, American Airlines, United Airlines

#### ATTENDANCE RECORD

7 The Attendance Record is at Attachment 'A'.

#### DETERMINATION OF VOTING MEMBERSHIP

The Voting Membership for the area was determined in accordance with the Provisions for the Conduct of the IATA Traffic Conferences and is at Attachment 'B'.

### EXAMINATION OF CREDENTIALS OF ACCREDITED REPRESENTATIVES AND ALTERNATES

9 The accreditation received by IATA was examined and found to be in accordance with the Provisions for the Conduct of the IATA Traffic Conferences.

#### **RELATIONS WITH THE PRESS**

10 The Meeting was reminded that relations with the press are governed by the Provisions for the Conduct of IATA Traffic Conferences.

#### STATUS OF AGREEMENTS - COMPOSITE

11 The Status of Agreements - Composite is at Attachment 'C'.

#### APPROVAL OF MINUTES OF PREVIOUS MEETING

12 The minutes of the following meeting were approved:

Composite Meeting of Cargo Tariff Coordinating Conferences Geneva, 15-17 May 2000 Memorandum CTC COMP 0292 dated 20 June 2000.

#### **BASIS OF DISCUSSION**

#### Amendments to Resolutions Manual

Members noted the amendments made to the Cargo Resolutions Manual issued February 2002.

#### REPORT OF CARGO TARIFF CONFERENCES STEERING GROUP (CSG)

- 14 F Nove (AZ), Vice-Chairman of the CSG presented the Report in the absence of the Chairman, G Kalczyk (SR) who had recently retired. The Report is at Attachment 'D' hereto.
- In an attempt to clarify the intent of the Resolutions and their publication in TACT, the Steering Group had developed a number of recommendations to be addressed at a special meeting which had not taken place. The recommendations had therefore been discussed at CSG/13 (held in April 2002) and placed on the agenda of this meeting. In addition, Mr Nove highlighted the following three issues which required action:
  - Resolution 503 Attachment to be replaced with a listing of local currency equivalents of XDR17 (addressed separately under Resolution 503)
  - Deletion of IATA rates between Libya and USA
  - Deletion of all IATA rates with cabotage Note 0560 (addressed separately under Expedited 1 September 2002).

#### **Libya-USA Rates**

16 LN objected to the proposed deletion of IATA rates between USA and Libya and these were retained in the data base.

#### **New Steering Group Members**

17 The Composite Meeting was required to elect a new Steering Group. As only 13 nominations had been received for the 18 positions, no election was required. The new Steering Group would comprise the following until the end of the 2004 Composite Meeting:

Area	Sub-Area	Number	Members (Name/Co.)
TC1	Canada	1	1 vacant position
	USA	2	Jeanne Wells / AA
			Rod Zimmerman / UA
	Rest	1	Minoro Taguchi / RG
TC2	Europe	6	Zorica Brasnovic / JU
			Martine Lamande / AF
			Francesco Nove / AZ
			3 vacant positions
	Middle East	3	Safaa Alhamid / MS
			Alireza Madani / IR
			Arab Saud / SV
	Africa	2	Regassa Ermejachew / ET
			Mariaan Pretorius / SA

Area	Sub-Area	Number	Members (Name/Co.)
TC3		3	Suvimol Bualerd / TG
			Hisaaki Matsuyama / JL
			1 vacant position

As all CSG members were not present and in order to allow vacancies to be filled, it was decided that the election of Chairman and Vice-Chairman would be held at the first meeting of the new CSG.

#### Ms Elvira Rodriguez / IB

19 Members were advised of the following message from Elvira Rodriguez:

TO ALL COLLEAGUES AND FRIENDS PARTICIPATING IN THE IATA CARGO TARIFFS COORDINATING CONFERENCES AND TACT MEETINGS.

DUE TO A STAFF REDUCTION PROGRAMME IN IBERIA, I VOLUNTARY ACCEPTED TO BE RETIRED LAST MARCH 31ST.

I WANT TO EXPRESS MY GRATITUDE AND TO GIVE MY DEEPEST THANKS TO ALL OF YOU FOR YOUR EXCELLENT COOPERATION AND FRIENDLINESS SHOWED DURING SO MANY YEARS, THAT CONTRIBUTED TO MAKE MY LABOUR WORKING UNFORGETABLE.

THANK YOU FOR THE ENRICHING EXPERIENCES I HAVE HAD WITH YOU. I HOPE TO MEET YOU AGAIN, SOON IN THE FUTURE, HERE IN MADRID OR ANY PLACE IN THE WORLD.

BEST OF LUCK FOR ALL OF YOU.

#### Mr Guenter Kalczyk / SR

A separate presentation had been made to Guenter Kalczyk in recognition of his services to the industry through Chairmanship of the CSG.

#### Vote of Thanks to CSG

On behalf of all Members, the Chairman expressed his appreciation to the Steering Group members for their work on behalf of the industry during the past two years. He also thanked Mr F Nove (AZ) and Mr G Kalczyk (SR) for chairing the CSG.

#### COMPOSITE RESOLUTIONS

### RESOLUTION 033e – RULES FOR PAYMENT OF CARGO RATES, CHARGES AND OTHER AMOUNTS

#### Sources for Rates of Exchange, United Kingdom

BA advised that there were large differences between the exchange rates published in the Financial Times and the specific rates for the airline industry directed by certain government authorities. The source of these latter rates is the central monetary authority in each country and airlines were obliged to apply them. In order to protect airlines from unnecessary exchange risk, BA recommended that IATA Resolution 033e be revised to incorporate reference to these official "airline" rates with immediate effect. To this end, they noted that these countries were covered as exceptions in the source contained in the equivalent passenger resolution.

BA appreciated that TC Members were able to notify changes to the source for circulation to the Membership. However, they believed that this change should be brought to the attention of all Members, hence their proposal to the meeting. There was no objection to including the source for rates of exchange currently contained in Passenger Resolution 024e. This would be circulated to all Members and not subject to voting at the meeting. At the request of BA, IATA undertook to advise CASS/UK of this change.

By message TV/6437 dated 3 June, confirmed by Memorandum CTC COMP 0391, dated 4 June 2002, Members were advised the following:

#### TV/6437

SUBJECT: UNITED KINGDOM - RESOLUTION 033e RULES FOR PAYMENT OF CARGO RATES, CHARGES AND OTHER AMOUNTS - ATTACHMENT A:
THIS ATTACHMENT LISTS BY COUNTRY SPECIFIC INDUSTRY SOURCES FOR BANKERS RATES OF EXCHANGE ESTABLISHED LOCALLY. IN ACCORDANCE WITH SECTION F OF RESOLUTION 033e WE HAVE BEEN INFORMED THAT THE AGREED SOURCE FOR THE UNITED KINGDOM HAS BEEN AMENDED AS FOLLOWS:

#### QUOTE

THE BANKERS RATE MEANS THE UNIT RATE PUBLISHED IN MONDAY'S EDITION OF THE FINANCIAL TIMES UNDER THE HEADING /GUIDE TO WORLD CURRENCIES/. THIS DATA IS ALSO AVAILABLE ON THE TUESDAY BY FAX FROM THE FINANCIAL TIMES. THE RATE WILL BE APPLICABLE FROM WEDNESDAY OF THE SAME WEEK UP TO AND INCLUDING TUESDAY OF THE FOLLOWING WEEK

**EXCEPTIONS ARE** 

- A THE IATA 5 DAY RATE OF EXCHANGE FOR BULGARIA AND ROMANIA
- B THE GOVERNMENT FIXED RATE OF EXCHANGE FOR SYRIA
- C RATES OF EXCHANGE ADVISED BY THE NATIONAL CARRIER FOR THE PHILIPPINES
- D LOCALLY ADVISED RATES FOR EGYPT AND NIGERIA UNQUOTE

#### COMPOSITE AND WORLDWIDE RATING RESOLUTIONS

#### **EFFECTIVE 1 SEPTEMBER 2002**

#### **CURRENCY - GENERAL**

#### Latvia and Lithuania

- At the request of the national carriers, all passenger fares and related charges from Latvia and Lithuania had been re-specified in local currency. As neither national carrier participated in Cargo Tariff Coordination, IATA proposed that consideration also be given to changing the currency for specification of cargo rates, add-ons and related charges.
- In order to accomplish this, it was proposed that the following IROEs (used for passenger fares) for the period April-June be used (with rounding in accordance with Resolution 033d) for the conversion of all US Dollar specified cargo rates, add-ons and related charges:

Latvia 0.63634

#### Lithuania 4.00000

- In addition, Latvia and Lithuania should be deleted from Attachment A of Resolution 033a and the '+' sign in the 'Acceptability' column deleted from Latvia and Lithuania in Resolution 033d.
- 27 These amendments were agreed and included in Resolution 002kk.

#### **CHARGES IN RESOLUTIONS 509, 512c, 518, 519**

#### Slovenia

- For currency reasons, JP proposed amendments to the charges for Slovenia in Attachments 'A' in Resolutions 509, 512c and 519, as well as an amendment to the text of Paragraph 1) of Resolution 519.
- The increased charges were agreed. However, BA opposed the reduction in the fee for charges collect services to not less than 4% of the weight and valuation charge for Slovenia in Resolution 519. BA noted that 5% was applied by most carriers in Europe and they saw no justification for a lower charge. In view of the BA position, JP advised that the current 5% fee could be retained and this proposed change was defeated.
- 30 As the changes were currency related, the amendments were agreed on an expedited basis.

#### **South Africa**

31 SA proposed increasing the ZAR levels in the Attachments to Resolutions 509, 512c, 518 and 519. These changes were currency related and were agreed for expedited effect.

**RESOLUTION 550 - GCRS RESOLUTION 590 - SCRS** 

#### **Deletion of Note 0560**

The Cargo Tariff Conferences Steering Group (CSG) had reviewed rates with cabotage Note 0560 and recommended their deletion from the IATA data base. Rates with Note 0560 were for information purposes only, were carrier specific and served no use in the IATA data base. There was no objection to the cancellation of these rates and Note 0560. This was reviewed and the final action covered by Resolution 002pp.

### RESOLUTION 001mm - SPECIAL RESOLUTION - DANGEROUS GOODS HANDLING FEE (EXCEPT ECAA, USA/US TERRITORIES)

33 SA advised that an exception was no longer required and they proposed deleting South Africa from the Attachment to Resolution 001mm. This was agreed and the Resolution adopted on an expedited basis.

### RESOLUTION 002kk - SPECIAL AMENDING RESOLUTION FROM LATVIA, LITHIANIA

34 The Resolution contained the changes agreed with regard to Latvia and Lithuania, as outlined above. The Resolution was adopted.

#### RESOLUTION 002pp - SPECIAL AMENDING RESOLUTION

35 The Resolution provided for the deletion of all rates with Note 0560 from selected points and the deletion of Note 0560 on all rates on selected routes. This was adopted for expedited effectiveness.

### COMPOSITE AND WORLDWIDE RATING RESOLUTIONS

#### **EFFECTIVE 1 OCTOBER 2002**

#### APPROACH FOR ALLIANCE COUNTRIES

- AA AF AZ OS UA were not present during discussions on rates and charges between USA and the alliance countries. These carriers were the only carriers participating in alliance agreements in attendance at the Composite Meeting.
- 37 At the 2000 Composite Meeting, separate Resolutions had been established for the rates between alliance countries. However, IATA no longer believed there was a need to maintain the separate Resolutions on the basis of the following:
  - carriers involved with alliances were prevented from participating in discussions on rates, charges on the routes concerned and post-conference documentation [Resolutions, Fares Tables, Minutes] was circulated to all TC Members;
  - the number of alliance agreements continued to increase and most conference areas were now involved:
    - When the Resolutions were developed at the 2000 Composite Meeting, the only alliance agreements existing were between USA and Austria, Belgium, Chile, Germany, Italy, Netherlands, Scandinavia, Switzerland.
    - New alliance agreements had since been concluded for USA-Czech Republic, France, Iceland, Malaysia, New Zealand, Panama and the rates and charges for these routes would have to be moved into the Resolutions covering the alliance countries.
    - Alliance agreements no longer existed for USA-Belgium, Switzerland and the rates and charges on these routes would have to be removed from the Resolutions covering the alliance countries.
- 38 As a consequence, the following approach was recommended by IATA:
  - re-incorporate all alliance rating Resolutions into the rating Resolutions for the rest of the world
  - introduce a definition of 'alliance countries' containing all countries concerned and allow IATA to update that list as necessary

- amend Resolution 001aa to provide that Resolutions 501aa, 508a, 530, 550, 590 for application between the alliance countries were not binding on the carriers involved in alliance agreements, and allow IATA to update the list of airlines as necessary.
- 39 There was no opposition to the recommendation and the Resolutions were developed on this basis.

#### **Non-Revalidation of Existing Alliance Resolutions**

- Further to the decision to incorporate rates and charges for alliance countries in the Resolutions applicable for the rest of the world or as a consequence of other proposals, the following Resolutions were not revalidated and would expire on 30 September 2002:
  - Resolution 501ff
     Small Package Service USA-Belgium Chile, Germany, Italy, Sweden, Switzerland
  - Resolution 517a
     Charges for Shipper Owned Non-Aircraft Containers
  - Resolution 536d
     Unitisation Discount for carrier Owned ULDs from South East Asia to USA
  - Resolution 554f
     GCRs USA-Austria, Belgium, Chile, Germany, Italy, Netherlands, Scandinavia, Switzerland
  - Resolution 584ff
     Rates and/or Charges for Unitised Consignments USA-Austria, Belgium, Chile,
     Germany, Italy, Netherlands, Scandinavia, Switzerland
  - Resolution 590ff
     SCRs USA-Austria, Belgium, Chile, Germany, Italy, Netherlands, Scandinavia, Switzerland

#### **CONSTRUCTED RATES**

- In the Cargo Resolutions references to 'constructed' and 'construction' had created confusion. These two terms seem to have different identities even though they are used interchangeably.
- It was understood that the term "constructed rate" referred to unspecified through rates established by use of add-on amounts rather than through combination of sector rates. The problems identified related to the presentation of Resolution 014b and the lack of any clear rules relating to the application of add-on amounts.
- 43 IATA proposed to:
  - clarify Resolution 014b to make it applicable only to rates combined end-on and not to the use of add-on amounts
  - re-draft Resolution 015aa to identify clearly the rules applicable to the use of add-on amounts
  - re-word the Resolution 012 definitions of 'constructed rate' and 'constructed' to ensure that they are unique.

44 BA objected in principle to the proposed changes as they had not experienced any difficulties with the current use of these terms. However, they did not maintain their objection and the proposed changes to Resolutions 012, 014b, 015aa were agreed, amended to reflect a QF suggestion. Consequential changes were also agreed for Resolutions 033c, 116f, 530, 590.

#### **NOTES**

- At previous Composite Cargo Meetings, many carriers had complained about the notes attached to the IATA cargo rates: the notes were restrictive, and created problems for the carriers that purchase the IRIS tapes. Additionally, many forwarders complained about the complexity that notes created when they were attached to the IATA cargo rates. As a result, AA proposed that notes not be attached to IATA cargo rates. In the event a carrier objected to a rate (and it required a note), the carrier had the option to apply a flagged rate.
- There was no objection to the proposal in principle and the issue was referred to a Working Group to examine the practicalities, e.g. whether any consequential changes were required if the notes were removed and whether such rates should be deleted.
- An analysis of the IATA data base revealed over 5000 notes against rates and 1400 against add-ons. Concern was raised in the Working Group that, if all notes were deleted, the resulting structure could contain duplicate rates. It was also accepted that some notes needed to be maintained. The Working Group agreed to review the IATA list to ensure that no duplication occurred and to decide which notes were still required. The Working Group recommended the following:

#### **Add-ons with Notes**

- Notes 0407 and 0408 to be deleted
- add-ons with Notes 0409, 0459, 0702, 0712 to be deleted
- Note 0466 to be deleted and Poland incorporated into the exception for the add-on area.

#### **Specified Rates with Notes**

- rates with Notes 0482 and 0509 to be retained with the notes
- all notes deleted from all GS/SS/US/CS rates except 0451, 0452, 0453, 0454, 0651, 0652, 0653, 0657, 0658, 0659, 0660, 0661, 0662, 0663
- various rates with notes to be cancelled, as shown in Resolution 002.
- The recommendations of the Working Group were agreed and included in Resolution 015aa or Resolution 002.
- The Notes listed above which would remain in the tables mainly concerned horse stalls and all Members were requested to review these further in the hope that they could eventually also be deleted. The Chairman also noted that there remained in the data base a number of rates with a note and which were also flagged. In line with the expressed desire of Members to clean-up the data base, the Chairman requested IATA to provide the carriers concerned with a complete listing of the rates involved and urged Members to take filing action similar to that agreed above for the industry rates.

It was subsequently agreed that Resolutions 116aa, 116bb would reflect that filings with a note would not be permitted. If a filing was protested, it would be flagged but there would be no note added.

#### STANDARDISATION OF RATE STRUCTURES

- 51 IATA noted that the rates structure for some city pairs involved a mixture of IATA specified rates and TACT constructed rates. IATA proposed the deletion of specified rates on those routes, thus allowing all rates to be constructed with add-ons. IATA also noted that there were some routes with incomplete structures for which it was proposed that rates be introduced or existing rates be deleted thereby allowing construction with add-ons.
- 52 Although UA favoured retention of published rates, it was clarified that rates would be constructed and published by TACT and the uniform use of add-ons would ensure the relationship originally intended.
- The outcome of the Working Group was as follows:
  - all proposals to delete specified rates agreed;
  - amended 45 kg rate from Panama to Miami and consequently amended 45 kg rate from Panama to Atlanta;
  - introduction of 100, 250, 500 kg rates from Taipei to Jakarta defeated.
- The above was endorsed by the meeting and the agreed action included in Resolution 002.

#### INDUSTRY STRUCTURE PROBLEMS IN THE IATA DATA BASE

#### **Industry SCR Structure and no Industry GCR Structure**

- A review of the IATA data base had revealed pairs of points where industry SCRs existed but there were no GCRs between the same pair of points. Members were provided with a listing of the points involved.
- This was reviewed by the Working Group and, although some progress was made, it was evident that to establish an industry structure for all the points listed was not feasible without extensive research into the various markets and regions involved. The Working Group eventually recommended that all SCRs for all points listed should be deleted. The only exception was Honolulu-Ho Chi Minh City where the SCRs were maintained and GCRs were introduced.
- 57 In addition, it was agreed that a rule would be included in Resolutions 116aa, 116bb to the effect that no SCR filing would be accepted unless a specified GCR or an appropriate GCR add-on was in place or part of the filing.
- The recommendation of the Working Group, including the amendment to Resolutions 116aa and 116bb, was agreed by the Conferences.

#### Structures with no Industry GCRs

59 IATA provided a list of carrier filed GCRs for pairs of points where the industry structure is missing. The Working Group reviewed the rates and recommended that all such carrier rates be deleted from the IATA data base. This was endorsed by the Conferences and included in Resolution 002.

#### **Industry SCRs Exceeding or Equal to Industry GCRs**

- Members were provided with lists, by sub-area, of specific commodity rates exceeding or equal to general cargo rates, and were requested to advise whether these rates should be retained or deleted.
- As a commodity driven airline, SA required the SCRs for perishables to be retained. However, they were prepared to review the weightbreaks and rates. LN were of the opinion that the GCRs should be reduced to the levels of the SCRs.
- 62 The Working Group addressed the paper at length using the following main parameters:
  - maintain the rates related to perishable items
  - maintain the rates related to premium items such as live animals
  - delete rates established for market conditions that no longer existed (9700 series)
  - delete rates to internal Austrian points, at the request of OS
  - delete rates to points no longer served.
- As exceptions to the above, certain rates were deleted or maintained at the specific request of carriers. The end result was the recommendation that the majority of the SCRs listed in the paper be deleted and a complete listing was provided to Members. There was no objection to the recommendation and this was included in Resolution 002.

#### PROPOSED RESOLUTION - MAXIMUM CARGO RATES

Given that the US DoT always conditions IATA agreements to be the maximums; that, for the most part, market rates were well below IATA levels; and that without this rule there was the implication that overcharging was legal, AA proposed the introduction of the following Resolution:

"Cargo rates and charges agreed by this Tariff Conference or established by a TC Member pursuant to the appropriate enabling or construction Resolutions, shall unless otherwise specifically provided, be maximum cargo rates and charges.

This Resolution shall not apply between countries in the ECAA."

AA clarified that the Resolution was intended only to cover multilateral industry rates but it was noted that Members could establish rates pursuant to Resolutions 116aa, 116bb, 116cc and, if opposed, these could be flagged for use by the filing carrier on their own services. While it was not intended that such a rate would be covered by the proposed Resolution, there was some concern that the proposal was unnecessary and could require carriers with a limited network to file their own rates on routes outside that network.

Noting the opposition of 11 carriers (BA JL JP JU LO OS OU QF RG SA UA) and the abstention of SU, the proposal was defeated.

#### **TC31 GENERAL**

- In reviewing the Cargo Resolutions specific to the CTC31 Area IATA noted that there were misleading references in the titles and sometimes in the text.
- The general error was the reference to TC31/TC123 North Central Pacific (or in one case South Pacific). There was no TC123 North Central Pacific sub-area and it was not possible to have such a sub-area. The designator attached to the Resolution identified the Conference area in which the Resolution was adopted. The advent of this issue dated back many years and it should be clarified.
- 69 Resolution 014b stated in Paragraph 1)c) that a through rate should be applicable over any route from point of origin to point of destination. This meant that a rate from SIN to YMQ could be transported over the Pacific (both North/Central and South) or via TC2.
- In order to avoid confusion and the application of unnecessary designators/language the following was suggested:
  - eliminate reference to TC123 and to the Sub-area i.e. North and Central, South from all Resolutions adopted by the TC31 Conference;
  - adopt all TC31 Resolutions as a Conference and not as two sub-areas;
  - state the points between which the Resolution applied in the first paragraph of each Resolution (and, to the extent practical, in the title).
- The proposed action was agreed and the changes would be made to Resolutions 501a, 501b, 501e, 508a, 593. It was noted that Resolutions 501c, 516b, 516c, 517h, 536c, 536d had been cancelled as a result of separate proposals and no action was therefore required.
- An attempt to clarify the area of application in Resolutions 501b and 593 regarding Korea (Dem. Rep. of) proved difficult and remained unchanged.

#### TC23/TC123 GENERAL

- Further to discussions on TC31, the Chairman questioned whether similar action was required with regard to the use of TC23/TC123 designators. However, the Secretary advised that these designators were necessary in order to accommodate the operations of NZ. NZ operated between TC3 and TC2 via TC1 only and in order to allow them to vote on rates between South West Pacific and TC2, the TC123 desginator had been added.
- It was also clarified that the only TC31 traffic via the Atlantic was between South Asian Subcontinent and TC1. As the operators on that route also operated on the direct TC31 route, there was no need for the TC123 designator. If operations by TC Members altered or new Members joined, this situation would be reviewed as necessary.

## RESOLUTION 001aa - SPECIAL APPLICABILITY RESOLUTION USA-AUSTRIA, BELGIUM, CHILE, GERMANY, ITALY, NETHERLANDS, SCANDINAVIA, SWITZERLAND

75 This Resolution was updated to provide that Resolutions 501aa, 508a, 530, 550, 590 for application between Alliance countries were not binding on the following carriers: AA AF AZ CZ DL FI LA LH NZ OS SK UA. With the introduction of a definition for the alliance countries, the title of the Resolution was amended to: Special Applicability Resolution Alliance Countries. The revised Resolution was adopted.

#### **RESOLUTION 002 - AMENDING RESOLUTION ALLIANCE COUNTRIES**

- The Resolution provided for amended rates in Resolutions 550, 590ff and the transfer of rates from Resolutions 554f, 584f, 590ff to Resolutions 550, 530, 590 respectively.
- 77 The Resolution also provided for the deletion of all flagged rates/charges for alliance countries in Resolutions 530, 550, 590 for carriers listed in Resolution 001aa. This was necessary in view of the new alliance agreements concluded since the 2000 Composite Meeting.

### RESOLUTION 002 - REVALIDATING/AMENDING RESOLUTION EXCEPT ALLIANCE COUNTRIES

The Resolution provided for the revalidation of Resolution 508aa together with the changes in rates worldwide except for the alliance countries.

#### **RESOLUTION 012 - GLOSSARY OF TERMS**

#### N Rate

Given that the N rate was used in all publications and that it applied for each kg of cargo until a lower rate was established for shipments of a specified size, IATA proposed changing the definition to read "the 1kg GCR". This was agreed.

#### Central America Caribbean Islands

As several Resolutions provided a list of countries in the absence of a definition under a collective name, IATA proposed establishing definitions for Central America and Caribbean Islands and using these terms where applicable. There was no objection.

#### **Alliance Countries**

In order to facilitate handling changes with the countries involved in alliance agreements and to reflect that these agreements also covered Danish, French and US overseas territories and possessions, it was agreed that the following definition of Alliance Countries would be included in Resolution 012:

**Alliance Countries** 

between USA/US Territories and Austria, Chile, Czech Republic, Faroe Islands, France, French Guiana, Germany, Greenland, Guadeloupe, Iceland, Italy, Malaysia, Martinique, Mayotte, Monaco, Netherlands, New Zealand, Panama, Reunion, Scandinavia, St. Pierre & Miquelon.

### Constructed Rate Construction

As a result of general discussion on the need to clarify constructed rates, the above definitions were amended to read as follows:

Constructed Rate: an unspecified through rate established by the use of add-ons the establishment of a cargo rate through the use of add-ons.

#### **Add-On Amounts**

There was no objection to amending reference to 'add-on amounts' in all Resolutions to 'add-ons' to reflect the more common usage.

#### Flagged Rate Rate Structure

- AA proposed re-defining the term 'Flagged Rate' to add that carrier specific rates always take precedence over IATA cargo rates and could not be combined with other non-carrier specific rates. AA also proposed the introduction of a definition of 'Rate Structure' as being the rates applicable between a pair of points, provided that, if a carrier has flagged rates between the same pair of points, only the flagged rates apply for such carrier.
- Discussion ensued in an attempt to clarify the proposal and it was found that the proposed definitions would result in the following:
  - if a QF filing to amend the N rate from Sydney to Zurich was protested, the N rate would be flagged QF and this would be the only rate QF could use on this route, unless QF re-filed a complete structure for their services;
  - in some instances carriers were prepared to interline at carrier flagged rates which were higher than the IATA rates and this would no longer be possible;
  - industry add-ons could not be used to construct rates using the flagged rates;
  - protested rates could not be flagged for use by the filing carrier if that carrier did not operate on the route in question.
- AA had hoped to establish rules to clarify when carrier flagged rates should be used in order to have a clear understanding for the industry and customers alike. However, as it was apparent that a consensus would not be reached, AA subsequently accepted the defeat of their proposal.

#### **Adoption of Resolution**

87 There being no opposition, the amended Resolution 012 was adopted.

#### RESOLUTION 014b - CONSTRUCTION RULES FOR CARGO RATES

Further to an IATA paper aimed at clarifying constructed rates, the Resolution was amended to refer to combinations instead of construction and the title amended to read: Combination Rules for Cargo Rates. The amendments were adopted.

#### **RESOLUTION 015aa - ADD-ON AMOUNTS**

#### Title/Text

89 In line with the decision to refer only to add-ons, the title was amended to remove reference to 'amounts'. In addition, the text was amended to clarify the terms construction and constructed rates, further to general discussion on constructed rates.

#### **Brazil**

- 90 AA proposed that Members review the add-on amounts to/from Brazil, advising that for the most part these add-ons could be constructed in TC1/TC2 over Belem or Rio de Janeiro. QF fully supported the proposal and RG confirmed that the current situation created problems.
- Working Group discussions indicated that the add-on structure was more complicated with add-ons also being available over Recife and Sao Paulo. It had not therefore been possible to limit the add-on constructions to only one point. Nevertheless, the Group developed a revised structure for Brazilian add-ons and this retained constructions over Rio de Janeiro or Sao Paulo but there were no duplications. This was endorsed by the meeting and Resolution 015aa amended accordingly.
- 92 IATA undertook to provide RG with the results of this exercise to facilitate a review and filing action, if necessary.

#### Add-ons between USA and TC3

- 93 Given that in many cases there were no add-on amounts to/from TC3, or between points in the USA and TC3, AA proposed identifying these points and to obtain agreement from the Members for add-on amounts. AA's main concern involved traffic between TC1 and TC3.
- The Working Group was requested to identify the points concerned and recommend levels. IATA provided a working document which was reviewed and amended by the Group. The proposal was considered in conjunction with a QF proposal relating to TC31 add-ons and GCRs.
- 95 The Working Group recommended:
  - deletion of all existing add-ons in USA for TC3 and their replacement with a common set of add-ons as developed in the Group
  - introduction of add-ons for certain Caribbean points to/from TC3 except South West Pacific at USD0.80 over the Miami level

- amendment of add-on for Beef Island from USD7.75 over Los Angeles to USD1.35 over Miami
- introduction of add-on for Aguadilla at USD0.60 over Miami for all points in TC3.
- 96 The meeting endorsed the recommendation for inclusion in Resolution 015aa.
- 97 IATA would provide the US carriers with a final printout of the add-ons for review and filing action if necessary.

#### Elimination of All Weightbreaks except 1 kg rate

- 98 For the benefit of all concerned, AA proposed simplifying the add-on amounts by eliminating all weightbreaks except the one kilo ('N') rate. This would result in one add-on irrespective of the weightbreak concerned.
- Voting revealed the opposition of JL KZ NH QF TG SU. JL pointed out that in some cases the add-ons reflected the full local rates. In such cases, if the add-on was standardised at a higher level, the combination of the international and domestic rates would undercut the constructed rate and shippers would be encouraged to issue two air waybills. This view was shared by all opponents except QF. QF advised that they would remove their opposition if their related proposal on the structure between South America and South West Pacific was agreed.
- 100 BA failed to see the benefit in the proposal and AA clarified that it was intended to resolve problems experienced with the IRIS tapes when constructing with IATA rates. UA favoured the intent but questioned whether the proposal would resolve these problems.
- 101 Working Group discussions failed to reach a consensus on the proposal and a formal vote in the meeting revealed the continued opposition of JL KZ NH TG SU. The proposal was therefore ruled defeated.

#### **Adoption of Resolution**

102 There was no opposition and the revised Resolution 015aa was adopted.

### **RESOLUTION 015aa - ADD-ON AMOUNTS RESOLUTION 550 - GCRS**

103 QF advised that there were very few specified rates between points in the South West Pacific and points in TC1, except USA (including Puerto Rico & US Virgin Islands) & Canada. In addition, the rates published in TACT mostly resulted from constructions made by add-ons, bore little relationship to levels sold in the market at either end of the route, and took no consideration of the direct services that operated. Finally, the add-ons established covered only major cities.

#### 104 QF proposed that:

- specified general cargo rates be established between points in the South West Pacific and points in TC1, other than USA (including Puerto Rico and US Virgin Islands) and Canada
- add-ons be established for points in TC1, other than USA (including Puerto Rico and US Virgin Islands) and Canada, which would be available for use in conjunction with the newly specified rates.
- 105 QF provided proposed levels for both specified general cargo rates and add-ons as the basis for further discussion. QF appreciated that in most cases a considerable part of any carriage would take place on other Members' services.
- The Working Group made some changes to the proposal and the amended listings reflecting new add-ons and new specified rates were endorsed by the meeting. In addition, it was agreed that all other add-ons in TC1 (except Canada, USA) for the South West Pacific would be deleted. The changes were included in Resolutions 015aa or 002. Those rates specified at a USD amount over a gateway from TC1 would be converted at the May Five Day rate to obtain the local currency equivalent for the rates to these points.

### RESOLUTION 033c - CONSTRUCTION OF THROUGH CARGO RATES AND CHARGES

107 As a consequence of discussion on constructed rates in general, the Resolution was amended to clarify the intent. With the title amended to read Establishment of Through Cargo Rates and Charges, the Resolution was adopted.

# RESOLUTION 033c - CONSTRUCTION OF THROUGH CARGO RATES AND CHARGES RESOLUTION 033g - CONVERSION OF US DOLLAR SPECIFIED AMOUNTS INTO LOCAL CURRENCIES

108 JL required a rule to convert SDR17, shown in Resolution 503, into local currencies and proposed that SDR amounts be converted into local currency amounts using rates of exchange to be added to Attachment A to Resolution 033c. There was no objection but, further to discussions on Resolution 503 and 033d (Minutes 158-166 refer), it was decided that no change was required to either Resolution 033c or 033g and these remained unchanged in this respect.

### RESOLUTION 033e - RULES FOR PAYMENT OF CARGO RATES, CHARGES AND OTHER AMOUNTS

109 As a result of rescinding Resolution 033f, the cross-reference in Resolution 033e Section E was removed.

### RESOLUTION 033f - ADMINISTRATIVE PROVISIONS FOR THE REVIEW AND MONITORING OF CURRENCY LEVELS

#### Rescission of Resolution

- 110 Members were requested to review the industry need to maintain Resolution 033f. The Resolution required IATA to monitor the movement of currencies against the Special Drawing Right (XDR) and inform Members of any currency that had varied against the XDR by more than 3% over a consecutive period of 20 business days. In addition, an historic listing was circulated once a year.
- 111 IATA understood that Members used the monthly IATA Clearing House Five Day Rates listing as their source for XDR rates information rather than the data provided under the provisions of Resolution 033f. As a consequence, it was suggested that Resolution 033f be rescinded and this was agreed.

#### RESOLUTION 045a - TC3 CARGO CHARTERS (EXCEPT US TERRITORIES)

#### **Rescission of Resolution**

- Given the prevailing environment and the stringent conditions contained in this Resolution, IATA questioned the need to retain it. IATA had serious doubts as to whether the rules were being applied for charters originating outside Japan and destined to Japan.
- 113 A vote was taken to cancel the Resolution. There being no opposition, Resolution 045a was rescinded.

#### RESOLUTION 116aa - CARGO RATES ENABLING FACILITY AND BOARD

#### **Area of Application**

- Resolution 116bb was effective and did not apply to and from Japan, from China (excluding Hong Kong SAR and Macau SAR) or from Thailand. IATA therefore proposed that Resolution 116aa be made specifically applicable to the areas in which it applied, and that all other references be deleted. This was agreed.
- 115 It was also proposed and agreed that reference to the Cargo Rates Boards would be deleted as they were no longer held.

#### **Filings**

Further to Working Group discussions, the Resolution was amended to reflect that SCR filings would be rejected unless a specified GCR or an appropriate GCR add-on was in place or part of the filing.

#### Notes

Further to general discussion on notes, the Resolution was amended to reflect that filings with notes would not be permitted.

#### **Adoption of Resolution**

118 The amended Resolution was adopted without opposition.

#### **RESOLUTION 116bb - SPECIAL ENABLING FACILITY**

#### **Area of Application**

With the proposals for Resolution 116aa agreed, Paragraph 2)b) was deleted. It was also agreed that Resolution 116bb would not be applicable for the routes covered by Resolution 116aa. In addition, Resolution 116bb reflected its non-application for alliance countries by the carriers listed in Resolution 001aa.

#### Filings/Notes

120 The changes agreed for Resolution 116aa were also reflected in Resolution 116bb.

#### **Adoption of Resolution**

121 The revised Resolution was subsequently adopted.

#### **RESOLUTION 116f - GCRS SPECIAL PROVISIONS RESOLUTION FROM JAPAN**

122 Further to discussion on constructed rates, Paragraph 5) was amended to read: unless otherwise specified, combination is only permitted with domestic rates and construction is permitted with add-on amounts. The amended Resolution was adopted.

### RESOLUTION 500 - SPECIAL RATES SYSTEM RESOLUTION WITHIN EUROPE EXCEPT BETWEEN COUNTRIES IN THE ECAA

- Resolution 500 applies between a number of listed countries and over-rides the application of a number of other Resolutions between those countries listed in Resolution 500.
- 124 IATA proposed a simplification of the presentation of these countries and an update of the Resolutions listed in Paragraph 9). These were agreed.

#### **RESOLUTION 501 - MINIMUM CHARGES FOR CARGO**

#### **New Charges**

125 It had been noticed that for some countries minimum charges had not been established for all areas. These were reviewed and the missing charges established.

#### **Area of Application**

126 The Resolution currently did not apply in the area covered by Resolution 500. As Resolution 500 had been amended in this respect, the area of application of Resolution 501 was updated to reflect the correct excluded routes.

#### From USA to Japan

- 127 Since the minimum charge from USA to TC3 (except Japan) had been changed to USD125 in June 2001, JL wished to align the charge to Japan with the rest of TC3. To this end, JL proposed changing minimum charges from USD55 to USD125 for traffic from USA to Japan.
- 128 At the request of the carriers concerned, this new industry rate from USA to Japan would replace existing flagged rates of AA and UA.

#### From Libya

129 LN proposed that, for currency reasons, the minimum charges from Libya be amended: to Area 1 LYD45, to Area 2 LYD35, to Area 3 LYD40. The proposed changes were adopted.

#### TC23 from China to Africa

- 130 Given that the minimum charge from China (except from Hong Kong SAR and Macau SAR) to Africa was very high (almost twice the minimum charge to Europe, Middle East and other areas), ET proposed that the current minimum charge of CNY610 be reduced to CNY451.
- 131 CA were reluctant to take such action without other China-based carriers being present and also advised that they were obliged to carry this traffic via Paris or Frankfurt from where high minimum charges applied. However, as a direct operator on the route, ET appealed to CA not to object to the reduction. Noting the support of LN and bearing in mind that the proposal had been circulated in advance of the meeting, a vote revealed no opposition and the proposal was agreed.

#### TC2/TC3 to TC1

AA withdrew their proposal to increase the minimum charges from countries in TC2/TC3 to TC1 where the amounts were less than USD50 (or equivalent currency).

#### **Adoption of Resolution**

133 With the Resolution amended to reflect the changes agreed above, voting revealed no opposition and it was adopted.

### RESOLUTION 501a - TC31/TC123 NORTH AND CENTRAL PACIFIC SMALL PACKAGE SERVICE JAPAN-CANADA/MEXICO/USA

134 This Resolution had values from Japan expressed in other than JPY. While the charges in the Attachment were in JPY, the value shown in Paragraph 2)b) was USD1250 from Japan to Mexico/USA and CAD1500 from Japan to Canada. It was suggested that the levels in Paragraph 2)b) from Japan should be in JPY.

- 135 JL agreed and requested an amount of JPY150000 be added for application from Japan. As a consequence, the Resolution was amended to reflect that the existing charges of USD1250 applied from Mexico, USA and CAD1500 from Canada.
- 136 The title of the Resolution was amended to delete reference to TC123 and the North and Central Pacific sub-area.
- 137 As amended, the Resolution was adopted.

RESOLUTION 501aa - SMALL PACKAGE SERVICE EXCEPT USA-BELGIUM, CHILE, GERMANY, ITALY, SWEDEN, SWITZERLAND EXCEPT BETWEEN COUNTRIES IN THE ECAA RESOLUTION 501ff - SMALL PACKAGE SERVICE USA-BELGIUM, CHILE, GERMANY, ITALY, SWEDEN, SWITZERLAND

# **Amalgamation of Resolutions**

- 138 IATA pointed out that the Attachment to Resolution 501aa was exceedingly long and could benefit from simplification and standardisation. There was no consistency in layout even within areas. For example the layout for TC1 mixed presentations and could be simplified by using generic terms in all cases rather than on a random basis. With the decision to transfer the rates for alliance countries from Resolution 501ff into Resolution 501aa and cancel Resolution 501ff, there was room for further simplification of the current rates.
- In order to clarify the Attachment for Resolution 501aa, Members were provided with a revised version which did not amend the current rates and which incorporated the new definitions of Central America and Caribbean Islands proposed for Resolution 012. The revised Attachment was agreed.
- 140 With regard to the text of the Resolution, several changes were agreed. The exceptions to the maximum value in Paragraph 2)b) from some alliance countries contained two charges: those to the USA were deleted and the charge from these countries set at the higher amount, rounded as considered appropriate. In addition, the exception from the USA to alliance countries was removed and the standard charge of USD1250 would apply. It was agreed that these changes should equally apply to the rest of the world.
- Resolution 501aa was made indefinite and the title was amended to read: Small Package Service except between Countries in the ECAA.

RESOLUTION 501b - TC31/TC123 NORTH AND CENTRAL PACIFIC INTERNATIONAL PRIORITY SERVICE
RESOLUTION 501bb - TC1 INTERNATIONAL PRIORITY SERVICE
BETWEEN CANADA, USA AND SOUTH AMERICA
RESOLUTION 501c - TC31/TC123 SOUTH PACIFIC INTERNATIONAL PRIORITY SERVICE USA-AUSTRALIA

## **Amalgamation of Resolutions**

- In reviewing the Resolutions Manual it had been noted that, in the past, Area Conferences had adopted Resolutions of the same type but had established individual Resolutions each time. The three Resolutions were almost identical but with different areas of application. They each provided an optional facility for the application of a priority service.
- In pursuing the aim of simplification and reducing the number of Resolutions, IATA recommended that these Resolutions be merged and that the new Resolution be made indefinite, as it was not a rating Resolution per se. The revised Resolution 501b was agreed on an indefinite basis and existing Resolutions 501b, 501bb and 501c were not revalidated.
- 144 As a result of the amalgamation, the Resolution's title was amended to read: International Priority Service and there was no opposition to its adoption. The facility in this Resolution would apply:
  - between Canada, USA and South America
  - between Japan, Korea (Dem. Rep. of), Korea (Rep. of), South East Asia and TC1
  - between Australia and USA.

RESOLUTION 501d - TC23/TC123 INTERNATIONAL PRIORITY SERVICE BETWEEN EUROPE AND TC3 (EXCEPT TO/FROM GREECE, ITALY, SWITZERLAND, SOUTH ASIAN SUBCONTINENT, US TERRITORIES) RESOLUTION 501f - TC3 INTERNATIONAL PRIORITY SERVICE (EXCEPT TO/FROM SOUTH ASIAN SUBCONTINENT, US TERRITORIES)

# **Amalgamation of Resolutions**

- 145 IATA recommended that the above two Resolutions be merged. The new version of Resolution 501d was adopted on an indefinite basis and existing Resolutions 501d and 501f were not revalidated.
- 146 The title of the Resolution read: International Priority Service and it would apply:
  - within TC3 (except to/from South Asian Subcontinent, US Territories)
  - between Europe (except Greece, Italy, Switzerland) and TC3 (except South Asian Subcontinent, US Territories)

# RESOLUTION 501e - TC31/123 NORTH AND CENTRAL PACIFIC INTERNATIONAL EXPRESS SERVICE BETWEEN JAPAN AND CANADA, USA

- 147 Paragraph 10) lists the circumstances under which a Member will not be held liable for failing to provide the service in the Resolution. As it is written, all of the 10 reasons must apply. IATA believed that the intent had been that any one of the 10 could apply individually and proposed that the preamble should be amended to state "... delays caused by any one of the following" rather than "...delays caused by the reasons listed below". This was agreed.
- In line with other Resolutions, reference to TC123 and the North and Central Pacific sub-area were removed from the Resolution title.
- 149 The amended Resolution was adopted.

#### **RESOLUTION 502 - LOW DENSITY CARGO**

# **Reduction in Density Rule**

- In order to more realistically match the constraints of confined aircraft capacity, and to further align the air segment with other cargo transportation modes, BA proposed amending the general density rule from the present 6000 cc to 5000 cc (305 cubic in) per kg (138 cubic in per lb). In view of the importance of this proposal, BA had provided Members with detailed background and justification (Attachment 'E' refers).
- Voting on the BA proposal revealed the abstention of SA and no opposition. TG subsequently advised the Meeting that the large increase involved with the change to 5000 cc would possibly not be approved by their authorities and they requested an exception from Thailand. However, this was opposed by BA JP LO OS QF UA and TG acknowledged the industry requirement for such a change and reluctantly abstained.

# **Deletion of Paragraphs 2) and 4)**

Given that Paragraphs 2) and 4) of this Resolution had never been implemented and seemed redundant in the current environment, IATA requested the Conferences to consider whether there was a need to retain these paragraphs. BA had also proposed deleting Paragraph 4) to bring this Resolution in line with current parameters. There was no objection to the deletion of these two paragraphs.

### **Effective Date/Declaration of Effectiveness**

- 153 While the voting had indicated overwhelming support for the reduction in the density rule, concern was expressed with the need for US-based TC Members to provide economic cost justification to the US DoT for this amendment. As in the past, IATA confirmed that an outside party would be employed to facilitate the preparation of this justification but this work would take several months to complete and placed in doubt a 1 October 2002 effective date. To this end, consideration was given to a delayed effective date, establishing an implementation date and/or developing two Resolutions allowing separate action to/from the USA. However, BA held a strong preference for proceeding with a 1 October 2002 effective date for one worldwide Resolution and this was the approach eventually agreed.
- 154 Consideration was given to providing some guidelines to IATA regarding the declaration of effectiveness in view of anticipated government action/inaction and in recognition of the inability to declare the Resolution effective without US government approval. At the same time it was acknowledged that this information would be contained in the October TACT (annotated as being subject to government approval). TG's concern with the inclusion of this change in the October TACT was noted.
- While Members wished to avoid having to apply different density rules, this might have to be tolerated if the reduced density was to be eventually achieved in all areas. IATA waited for all necessary government approvals, including the US DoT, before issuing the declaration of effectiveness. However, it was suggested that, upon receipt of approval from the US DoT, IATA should declare the revised Resolution effective except for those countries whose approval was required and had not been received as of that date. In order to reduce the number of possible exceptions, the filing period for this Resolution was set one month longer than for other Resolutions. This approach was generally accepted.

# **Adoption of Resolution**

- TG made the following statement for the record: "Although the chance of obtaining Thai Government approval is minimal as explained during discussions, TG respects the Conferences' decision to have the new conversion factor for volumetric weight calculation for global application. Therefore TG reluctantly abstains and seeks Members' support through their local representatives in Thailand to obtain government approval".
- 157 With the TG comments noted, the amended Resolution was adopted.

# **RESOLUTION 503 - CHARGES IN RELATION TO VALUE**

158 R Gill/IATA assumed the Chair for these discussions, in view of the direct involvement of QF.

- 159 The Attachment had been disapproved by the US DoT in Order 2001-2-24. Despite this, a filing(s) had been made under Resolutions 116aa and 116bb to introduce/amend levels in that Attachment. There had been considerable discussion with the IATA Washington office and the US DoT on this disapproval but no action had been taken to re-file the Attachment with a full explanation. Given the current status, IATA asked the Conferences to determine the future of Resolution 503.
- A proposal by QF provided Members with detailed comments on the situation and their conclusion that carriers must accept that any local currency amounts used instead of SDR17 to calculate charges in relation to value must equate to SDR17. To this end, QF proposed that:
  - a new Attachment A to Resolution 503 be adopted by the Conference, showing local currency amounts for those countries which Members required to be included.
  - the local currency amounts be the equivalent of SDR17, calculated using exchange rates to the SDR applicable on the date the new attachment was adopted by the Conferences.
  - the resolution text be amended to establish that the local currency amounts in the attachment would be amended, and published accordingly by IATA, for effect every February, June and October using the SDR exchange rates applicable in March, July and November, i.e. using similar procedures as currently in place in Resolution 033c for the calculation of equivalent values of add-ons.
- 161 The Cargo Tariff Conferences Steering Group recommended similar action and, after further clarification, a vote was taken on the following basis:
  - the current Attachment would be replaced by a worldwide listing of local currency amounts, reflecting SDR17 converted at the March, July, November Clearing House monthly five day rates
  - these local currency amounts would be circulated three times a year and remain valid for four months.
- 162 SU objected to the proposal as their government had directed different amounts and Russia had not ratified Montreal Protocol 4. It was pointed out that the Conferences had adopted SDR17 as the basis for all calculations for charges in relation to value, regardless of the liability regime that applied for a particular shipment. It would therefore be extremely difficult to change the formula to take into consideration whether SDR17 (Montreal Protocol 4) or 250 French Gold Francs (Warsaw Convention) is the actual limit of liability per kg for a particular shipment. It was also clarified that the Resolution could not over-ride any government reservations. With this understanding, SU abstained.

# Rounding

163 Further to the decision to develop a revised Attachment A to Resolution 503, QF believed consideration should be given to the rounding of the local currency valuation charges. QF envisaged the inclusion of a separate rounding unit for valuation charges in Resolution 033d whereas BA believed the current rounding for minimum charges could be applied. However, JL required rounding to the nearest JPY1 instead of JPY100; QF abstained.

- Based on discussions, Resolution 033d was initially amended to reflect that rounding units for minimum charges would equally apply to the valuation charges, with a new note introduced to accommodate the JL position. However, JL subsequently advised that for the purpose of converting the SDR amount to local currency, they were prepared to follow the standard and the note was not therefore required.
- 165 JL pointed out that the proposed amendment to Resolution 033d would be misleading and it was agreed that Resolution 503 would reflect that the rounding units would be those contained in Resolution 033d for minimum charges. No amendment was therefore made to Resolution 033d in this respect.

# **Adoption of Resolution**

166 Voting on the Resolution revealed the abstention of SU.

# RESOLUTION 508a - NORTH AND CENTRAL PACIFIC CHARGES FOR ANIMAL ULDS

Further to discussion on an IATA paper, the title and text of the Resolution were amended to delete reference to the TC123 designator and to North and Central Pacific. As a consequence, the Resolution would apply between points in TC3 (except South West Pacific) and TC1. The amended Resolution was adopted.

#### **RESOLUTION 509 - CHARGES FOR DISBURSEMENTS**

#### Zambia

168 Disbursements as defined in Cargo Services Conference Resolution 614 are charges incurred at destination of the shipment. Under this definition, IATA requested the Conferences to consider whether the reference in Paragraph 3) to traffic to/from Zambia was a valid condition in respect of traffic from Zambia. The Conferences agreed that reference should only be made to traffic to Zambia and the Resolution was amended accordingly.

# **Switzerland**

As Switzerland now formed part of the ECAA as defined in Resolution 012, it was agreed that reference to Switzerland in the Attachment should be deleted, further to the recommendation of IATA.

# **Adoption of Resolution**

170 The amended Resolution reflecting the agreed changes was adopted.

### RESOLUTION 509e - CHARGES FOR DISBURSEMENTS ECAA

## **Algeria**

171 Given that these charges were incurred at destination of the shipment, IATA considered the reference in Paragraph 6) to traffic to Algeria to be redundant as Algeria was not in the ECAA. This Paragraph was therefore deleted.

### Zambia

172 For the same reasons, it was questionable whether the exception for shipments from Zambia in Paragraph 3) was valid. There was no objection to the deletion of this exception.

# **Adoption of Resolution**

173 There was no opposition to the amended Resolution which was adopted.

RESOLUTION 511 - TC1 RATES FOR LIVE ANIMALS EXCEPT TO/FROM USA/US TERRITORIES, EXCEPT BETWEEN COUNTRIES IN THE ECAA RESOLUTION 511 - TC2 RATES FOR LIVE ANIMALS RESOLUTION 511 - RATES FOR LIVE ANIMALS EXCEPT TO/FROM USA/US TERRITORIES, EXCEPT BETWEEN COUNTRIES IN THE ECAA RESOLUTION 511a - RATES FOR LIVE ANIMALS SOUTH WEST PACIFIC

- 174 AA and BA proposed a standardisation and simplification of the 511-Series of Resolutions, including revised charges and the deletion of all exceptions. In addition, BA believed that Resolution 511a could be cancelled if the changes to the other Resolutions were agreed.
- 175 During the discussion the following comments were noted:
  - LO SA SU were unable to consider the minimum of USD225 suggested by BA as this represented a large increase;
  - QF were concerned about moving to percentages of the 'N' rate since the percentages were currently based on the applicable weightbreak;
  - QF were unable to cancel Resolution 511a as this contained approved rates from South West Pacific to USA;
  - SU believed that the commercial requirements of airlines must be considered and simplification not undertaken unnecessarily.
- Notwithstanding these concerns, there was no objection to a Working Group considering this issue further. Following discussion in the Working Group, the Conferences were presented with a draft Resolution 511 aimed at replacing existing Resolutions 511. The Working Group recommended no change to Resolution 511a.
- 177 Revised Resolution 511 was adopted by the Conferences. It was noted that it would not be applicable between countries in the ECAA, to/from USA/US Territories, from and within South West Pacific and on routes in Europe where Resolution 500 over-rode class rate Resolutions.

# NEW RESOLUTION 511b - RATES FOR LIVE ANIMALS TO/FROM USA/US TERRITORIES

178 At the request of UA, it was agreed that a separate Resolution would be developed to/from USA/US Territories containing the new rates for live animals. In the event both Resolutions were approved, Resolution 511 would be amended to apply to/from USA/US Territories and Resolution 511b would not become effective. Resolution 511b was adopted.

### RESOLUTION 512c - CHARGE FOR THE PREPARATION OF AIR WAYBILL

179 IATA proposed that Paragraph 3)c) should make reference to Central America rather than listing the countries, in line with the proposal under Resolution 012. This was agreed and the amended Resolution adopted.

# **RESOLUTION 513 - CHARGES FOR MIXED CONSIGNMENTS**

- 180 IATA proposed several standardisation/simplification changes to this Resolution. In addition, IATA noted that the references to 'automotive vehicles' varied for each of the areas mentioned in the Resolution, but that no distinction was made in the respective 593 Resolutions.
- The proposed changes were agreed in principle and it was established that there was no longer a need to distinguish between crated/uncrated/electrical automotive vehicles.
- Against this background, further simplification was possible and IATA undertook to redraft the Resolution for review by the Conferences.
- At the request of JL, the routes for which automotive vehicles were excluded were amended to correspond to the area of application in new Resolution 593.
- 184 The revised Resolution was adopted.

RESOLUTION 516b - TC31/TC123 NORTH AND CENTRAL PACIFIC UNITISATION INCENTIVE FROM CANADA TO SOUTH EAST ASIA RESOLUTION 516c - TC31/TC123 NORTH/CENTRAL PACIFIC UNITISATION INCENTIVE FROM SINGAPORE TO CANADA

#### Non-Revalidation of Resolutions

185 There was no objection to JL's proposals to cancel Resolutions 516b and 516c because they were not used in the market. As a consequence, IATA withdrew its proposal to merge these Resolutions.

# RESOLUTION 517a - TC1 CHARGES FOR SHIPPER OWNED NON-AIRCRAFT CONTAINERS

# RESOLUTION 517h - TC31/TC123 NORTH AND CENTRAL PACIFIC CHARGES FOR SHIPPER OWNED NON-AIRCRAFT CONTAINERS USA-JAPAN

#### Non-Revalidation of Resolutions

- 186 IATA proposed that these two Resolutions be merged for reasons previously advised for other Resolutions. However, there were several aspects of the Resolution that required clarification/amendment in order to proceed with any amalgamation. These aspects involved the Proviso in Paragraph 2), the reference to a non-IATA publication and the use of codes incorrectly reflected as being IATA codes.
- 187 Although revised Resolution 517a was reviewed, given its reference to shipper owned non-aircraft containers and the lack of use of the Resolution, it was decided that both Resolutions would not be revalidated.

# **RESOLUTION 518 - DANGEROUS GOODS HANDLING FEE**

### **AA Note**

At the specific request of AA, the listing in Attachment A had been amended to refer to Note 6 for a number of countries where AA required a minimum fee different from that for other carriers. Unfortunately the countries listed in Note 6 did not reflect the same country names as contained in Attachment A. In order to simplify the Note, as suggested by IATA, it was amended to state:

"applicable to AA. Whenever American Airlines accepts a DGR-consignment from this country-(list of countries deleted), a Dangerous Goods fee of USD80...".(rest unchanged)

# **LH Note**

189 Similarly, IATA proposed the same approach be taken for Note 4 relating to LH and this was agreed.

### **Switzerland**

190 It had been noted that the Mail Vote to apply the requirements of the EU relating to the ECAA had omitted to delete Switzerland in the Attachment. IATA proposed that this be undertaken and Switzerland deleted. This was agreed.

### **Netherlands Antilles**

This was the only Resolution to include a definition of Netherlands Antilles. IATA proposed that this be deleted as it caused confusion when Netherlands Antilles was used elsewhere as it assumed that this definition was different from that implied by the reference to the country alone. There was no objection and the definition was deleted.

# **Adoption of Resolution**

192 The Resolution, amended to reflect the agreed changes, was adopted.

# **RESOLUTION 519 - FEE FOR CHARGES COLLECT**

# **Argentina**

- 193 AA had recently filed to amend Resolution 519 to establish a charges collect fee for shipments from Argentina. The purpose of the filing had been to reduce the current charge and encourage more shipments to move collect rather than prepaid. This move had been driven by the extreme currency situation that prevailed in Argentina and which currently did not show any signs of improving. The filing had been protested and AA resubmitted the filing for discussion by the Conferences.
- 194 The proposal involved the following additional language in Paragraph 1):
  - 1) when the weight and valuation charge on the Air Waybill are shown for collection from the consignee, a charges collect fee shall be charged. The fee for such charges collect services shall be not less than 5% of the weight and valuation charges amount (15% in Angola); provided that:
    - a) for shipments originating in Argentina, the charges collect in the country of destination shall be not less than 2% of the weight and valuation charges amount.
    - <u>b)</u> the amounts indicated above shall be subject to a minimum amount as set forth in Paragraph 3)
- 195 QF envisaged that the amendment would create confusion in the market and disputes in billing, given the changes involved to the charges collect facility, i.e. different percentage and collection based on origin rather than destination. UA held a similar position and favoured a consistent approach for the charges collect facility. In addition, BA pointed out that there were other countries which warranted a move from pre-paid to charges collect and these were normally dealt with on a unilateral basis. Notwithstanding their concern, they could go along with the proposal.
- 196 While there was sympathy for the AA position, and there was a possibility that the proposal could be limited to traffic from Argentina to USA, further discussion failed to reach a consensus and AA accepted the defeat of their proposal.

#### **Switzerland**

197 Application of Resolution 519 was not permitted in those countries defined as ECAA and this included Switzerland. There was therefore no objection to removing Switzerland from the Attachment to the Resolution.

# **Adoption of Resolution**

198 The amended Resolution was adopted by the Conferences.

RESOLUTION 536c - TC31/TC123 NORTH AND CENTRAL PACIFIC UNITISATION DISCOUNT FOR CARRIER OWNED ULDS FROM CANADA/USA TO JAPAN

RESOLUTION 536d - TC31/TC123 NORTH AND CENTRAL PACIFIC UNITISATION DISCOUNT FOR CARRIER OWNED ULDS SOUTH EAST ASIA TO USA

### **Non-Revalidation of Resolutions**

199 There was no objection to the JL proposals to cancel these Resolutions because they were not used in the market. As a consequence, IATA withdrew its proposal to merge Resolutions 536c and 536d.

# RESOLUTION 530 - RATES AND/OR CHARGES FOR UNITISED CONSIGNMENTS

- With the inclusion of rates from Resolution 584ff, the Resolution was now applicable worldwide (including alliance routes) except between countries in the ECAA.
- 201 Several changes were made to the text to ensure the combined Resolution reflected Members' intent. One such change involved transferring to Resolution 530 the rate per kg. and/or the charge for the consignment as shown in Attachment 'A' to Resolution 584ff. Currently, Resolution 584ff did not allow construction with add-ons. With the amalgamation of Resolution 584ff and 530, it was agreed that this construction would be permitted. It was also agreed that Paragraph 2)f) of Resolution 530 would be retained, even though this did not apply in Resolution 584ff.

# **RESOLUTION 550 - GCRS**

# **Area of Application**

Further to discussions on the alliance routes and the transfer of rates from Resolution 554f, the Resolution had been amended to apply worldwide except between countries in the ECAA and except in the area of application of Resolution 500.

# Deletion of 650 kg/2000 kg/3000 kg GCRS from USA to Japan

- JL proposed to delete GCRs at 650 kg/2000 kg/3000 kg from USA to Japan. These weightbreaks were introduced in 1988, when Resolution 536c (Container Discount Rule) had been established. Since JL proposed the cancellation of Resolution 536c due to no utilisation, they sought deletion of these weightbreaks. Moreover, JL advised there was no need for a large number of weightbreaks in this market; weightbreaks of N/45 kg/100 kg/300 kg/500 kg/1000 kg being sufficient for this market.
- There was no objection and the rates were deleted. This was included in Resolution 002.

#### TC23 China to Africa

- As the general cargo rates from China (except Hong Kong SAR and Macau SAR) to Africa are high, ET recommended a 15% reduction on existing rates. They also proposed the introduction of 100 kg GCRs from China (except Hong Kong SAR and Macau SAR) to several African destinations at a level 20% less than the rate for the 45 kg rate to meet market requirements. As a direct operator, ET believed it was reasonable to seek appropriate rates from China.
- Voting on the proposal revealed the opposition of AF BA. AF were unable to consider such a large reduction and suggested that this be amended to 5% as a maximum. BA questioned whether this represented the most appropriate approach to achieve ET's objective. Their preference would be to introduce SCRs for specific items or introduce suitable 100 kg rates.
- After consideration, it was suggested that the 45 kg rates be retained at the current levels and 100 kg rates be introduced at levels 20% below the 45 kg rate. Subject to review of the resulting levels, the proposal was agreed. This action was confirmed by the Working Group and the new levels developed by the Working Group were agreed by the meeting and included in Resolution 002.

RESOLUTION 554f - GCRS USA-AUSTRIA, BELGIUM, CHILE, GERMANY, ITALY, NETHERLANDS, SCANDINAVIA, SWITZERLAND RESOLUTION 584ff - RATES AND/OR CHARGES FOR UNITISED CONSIGNMENTS USA-AUSTRIA, BELGIUM, CHILE, GERMANY, ITALY, NETHERLANDS, SCANDINAVIA, SWITZERLAND RESOLUTION 590ff - SCRS USA-AUSTRIA, BELGIUM, CHILE, GERMANY, ITALY, NETHERLANDS, SCANDINAVIA, SWITZERLAND

- 208 In the absence of any proposals, it was agreed that the rates and charges between USA and Austria, Chile, Czech Republic, France, Germany, Iceland, Italy, Malaysia, Netherlands, New Zealand, Panama, Scandinavia would remain unchanged. However, as a result of Working Group discussions, Item 9720 from Dresden to San Juan was deleted.
- With the above amendment, the rates and charges in the Attachments to Resolutions 554f, 584ff, 590ff were transferred to Resolutions 550, 530 and 590 respectively. As indicated in Minute 40 Resolutions 554f, 584ff, 590ff were not revalidated.

# **RESOLUTION 590 - SCRS**

# **Area of Application**

As agreed in discussions on the alliance routes and the transfer of rates from Resolution 590ff, the Resolution had been amended to apply worldwide except between countries in the ECAA and on routes for which Resolution 500 rates existed.

### **Construction with Add-ons**

As a consequence of the discussion on constructed rates, the Resolution was amended to refer to construction with add-ons, rather than combination.

RESOLUTION 593 - TC3 CARRIAGE OF AUTOMOTIVE VEHICLES FROM JAPAN TO SOUTH WEST PACIFIC RESOLUTION 593 - TC23/TC123 CARRIAGE OF AUTOMOTIVE VEHICLES FROM JAPAN TO EUROPE RESOLUTION 593 - TC31 NORTH AND CENTRAL PACIFIC CARRIAGE OF AUTOMOTIVE VEHICLES

# **Amalgamation of Resolutions**

- JL proposed the amalgamation of the three Resolutions without changing the levels and applicable areas. There was no opposition in principle and the language for the new Resolution was agreed as suggested in a separate IATA proposal. As this was not a rating Resolution per se, it was also agreed that new Resolution 593, applicable on the following routes, would be made indefinite:
  - between Japan, Korea (Dem. Rep. of), Korea (Rep. of), South East Asia and TC1
  - from Japan to Europe
  - from Japan to South West Pacific.
- 213 The title of new Resolution 593 would be: Carriage of Automotive Vehicles and it was adopted.
- 214 As a consequence of this action, existing Resolutions 593 were not revalidated.

### **RESOLUTION 595 - SPECIAL RATES FOR VALUABLE CARGO**

# **Area of Application**

The Resolution was not currently applicable on routes with Resolution 500 rates. The area of application of Resolution 500 was amended and this was consequently changed in Resolution 595.

### **Revised Rates**

- AA proposed to simplify the valuable cargo rates. The proposal involved a standard at 200% of the 'N' general cargo rate, deletion of all exceptions apart from that in Saudi Arabia which established a minimum charge higher than the standard USD50.
- 217 On the assumption that a separate SU proposal to amend exceptions from Russia was agreed, SU abstained. The AA proposal was agreed in principle, subject to review of the final language.

- SU proposed that the rate from Russia in respect of traffic in TC2, TC12, TC23/TC123 be increased from 250% to 300% of the 'N' rate to equal the current rate to South West Pacific. They also proposed that the rate from Russia (in Europe) to Canada, USA be increased from 175% to 200% of the 'N' rate. SU advised that these rates were justified and would be absorbed by the market.
- There was no objection to retaining these exceptions at the increased levels proposed by SU. After consideration of the current routes involved and SU's requirement, the Resolution reflected 300% of the 'N' rate from Russia provided that for consignments from Russia to Canada, USA of 1000 kg or more the rate would be 200% of the 'N' rate.

# **Adoption of Resolution**

220 The amended Resolution was adopted.

# **RESOLUTION 596 - NEWSPAPERS AND PERIODICALS**

## **Area of Application**

The Resolution was not applicable on routes with Resolution 500 rates. The area of application of Resolution 500 was amended and this was therefore reflected in Resolution 596.

#### **Revised Rates**

- AA proposed to simplify the rates at not less than 50% of the 'N' general cargo rate except not less than 67% for TC1/TC12. In conjunction with this, AA proposed that all exceptions be removed from the Resolution. This was agreed.
- Given the agreement to cancel all exceptions, no action was taken on LH's proposal to extend the exception from Germany to the standard rate in Paragraph 1) of the Resolution to all points in TC3.

# **Adoption of Resolution**

224 There was no objection to the adoption of the amended Resolution.

# RESOLUTION 597 - CARRIAGE OF HUMAN REMAINS RESOLUTION 597 - TC2 CARRIAGE OF HUMAN REMAINS

# **Area of Application**

The Resolution was not applicable on routes with Resolution 500 rates. The area of application of Resolution 500 was amended and this was therefore reflected in Resolution 597.

### **Revised Rates**

- 226 AA proposed to simplify the Resolutions and apply the 'N' general cargo rate for human remains in coffins and the applicable general cargo rate for ashes.
- 227 OS, supported by SA, were unable to alter the current surcharges applicable in TC2. It was also noted that the Resolution covering all areas except TC2 did not distinguish between the carriage of coffins and ashes. AA clarified that they were endeavouring to add this distinction to avoid confusion.
- 228 After further discussion, OS advised that for TC2 they could consider deleting all exceptions to the standard rate of 300% of the 'N' rate for ashes and 200% of the 'N' rate for human remains in coffins. This counter-proposal was acceptable to SA, notwithstanding the removal of exceptions providing for a higher rate. The revised proposal for TC2 was acceptable to all other Members. As a consequence, the TC2 Resolution was amended: Paragraphs 5) and 6) referring to exceptions in the Attachment were deleted, as was the Attachment.
- 229 With regard to the Resolution for the rest of the world, there was no objection to removing all exceptions in the Attachment and the deletion of Paragraph 2) referring to those exceptions. This Resolution made no reference to the carriage of ashes and BA questioned why the rate on the longhaul routes should be lower than that in TC2. However, a rate higher than the 'N' rate was not considered feasible and was not pursued.

# **Adoption of Resolutions**

230 There was no objection to the adoption of the amended Resolutions.

### FINAL VOTING

# WORLDWIDE RATING RESOLUTIONS EXCEPT ALLIANCE COUNTRIES

The following Resolutions contained the rating changes worldwide except alliance countries:

Resolution 002	Revalidating/Amending Resolution except Alliance Countries
Resolution 500	Special Rates System Resolution
	Within Europe except between Countries in the ECAA
Resolution 501a	TC31 Small Package Service
	Japan-Canada, Mexico, USA
Resolution 501aa	Small Package Service
	except between Countries in the ECAA
Resolution 501e	International Express Service Japan-Canada, USA
Resolution 508a	Charges for Animal ULDs
	TC3 (except South West Pacific)-TC1
Resolution 508aa	Charges for Animal ULDs
	from Japan, Korea (Dem. Rep. of), Korea (Rep. of) to Europe
Resolution 530	Rates and/or Charges for Unitised Consignments
Resolution 550	GCRs
Resolution 590	SCRs

Voting on the above Resolutions except in respect of the alliance countries revealed no opposition and they were adopted.

# FINAL VOTING

# WORLDWIDE RATING RESOLUTIONS ALLIANCE COUNTRIES

233 The following Resolutions reflected the decisions taken on the rating package for alliance countries:

Resolution 001aa Special Applicability Resolution Alliance Countries Resolution 002 Amending Resolution Small Package Service Resolution 501aa except between Countries in the ECAA Resolution 508a Charges for Animal ULDs TC3 (except South West Pacific)-TC1 Resolution 530 Rates and/or Charges for Unitised Consignments Resolution 550 **GCRs** Resolution 590 **SCRs** 

A vote was taken in the absence of AA AF AZ OS UA on the above Resolutions in respect of the alliance countries. This revealed no opposition and the Resolutions were adopted.

# **DURATION OF AGREEMENTS**

Although the agreements had been developed for a 2 year period, the Secretary advised that there was a possibility that a Composite Meeting would be called for 2003, in conjunction with a TACT Users Group. However, this would be addressed in the Steering Group and Members advised accordingly.

# PRESENTATION TO MESSRS R GILL, R OSTERBERY, K FORRESTER

- On behalf of all delegates, Ms J Wells (AA) expressed her appreciation to Rodney Gill, Roger Osterbery and Ken Forrester for their significant contributions over the years to the work of both the Cargo Steering Group and the Conferences. The three gentlemen would retire from IATA during the course of 2002 and they would be very much missed both professionally and personally. Ms Wells wished them a long and healthy retirement.
- Ms Wells' comments were heartily endorsed by other delegates who expressed their appreciation for the help given on numerous subjects over the years, the time taken to explain issues to new Members and new delegates, and finally the friendships that had been forged. Their expertise would be a loss to the industry.
- 238 In turn, Rodney, Roger and Ken thanked delegates for their kind words and gifts. Mr Osterbery also took the opportunity to assure Members that all efforts were being made by IATA to ensure a smooth hand-over.

# **VOTE OF THANKS**

- 239 The Chairman expressed his appreciation to delegates for the patience throughout the meeting and congratulated them on their achievements. Mr Finemore also thanked the IATA staff both at the meeting as well as those in Geneva providing information for the meeting.
- On behalf of all delegates, Ms J Wells (AA) extended her thanks to the Chairman for his time and dedication which had helped achieve very successful agreements.

# **CLOSE OF MEETING**

241 The Composite Meeting of Cargo Tariff Coordinating Conferences was closed at 1300 hours on Friday, 24 May 2002.

# Attachment 'A'

# ATTENDANCE RECORD

# **Composite Meeting of Cargo Tariff Coordinating Conferences The Hague, 27-31 May 2002**

Chairman: FINEMORE, Clive (QF)

COMPANY	REPRESENTATIVE	TELEX	FAX/E-MAIL
Adria Airways	ZUPANCIC, Tone	LJUFFJP	+386 4202 3030 tone.zupancic@adria.si
Aeroflot – Russian Airlines	PONOMAREV, Vladimir	MOWPFSU	+7 095 926 6206 vponomarev@aeroflot.ru
Air China International Corporation	HUANG, Qun	PEKLFCA	+86 10 6461 4878 yunjia@mail.airchina.com.cn +86 10 6461 4878
	FRANK, Yan	PEKLFCA	frankyan@mail.airchina.com.cn
Air France	GOUGEAT, Danielle	HDQFGAF	+33 (0)1 48 64 71 35 mlamande@airfrance.fr
Alitalia - Linee Aeree Italiane S.p.A.	NOVE, Francesco	ROMVVAZ	+390 6 6562 2280 nove.francesco@alitalia.it
All Nippon Airways Co.	SUGIMORI, Hiroaki	TYOFENH	+81 3 5495 2929
Ltd. (ANA)	SUGIMOTO, Sadami	TYOFENH	tyofe@ana.co.jp +81 3 5495 2929 s.sugimoto@ana.co.jp
American Airlines, Inc.	JOHNSON, Stewart	HDQCQAA	+1 817 931 6500
	WELLS, Jeanne	HDQRVAA	stewart.johnson@aacom +1 817 931 6500 jeanne.wells@aa.com
Austrian Airlines	EDER, Friedrich	HDQFCOS	+43 1 7007 68324 friedrich.eder@aua.com
British Airways	HURLEY, Roy	-	- roy.1.hurley@britishairways.com
China Southern	YING, Hwang	-	+86 130150 hwangying@cs-air.com
Croatia Airlines DD	SIPRAK, Andreja	ZAGQTOU	+385 1 617 6845 andreja.siprak@croatiaairlines.hr +385 1 617 6845
	REBAC, Mirna	ZAGQTOU	mirna.rebac@croatiaairlines.nr
Egyptair	ALHAMID, Safaa	CAIQTMS	+202 266 3775

COMPANY	REPRESENTATIVE	TELEX	FAX/E-MAIL	
Ethiopian Airlines	ERMEJACHEW, Regassa	ADDFCET	+ 251 1 615271 ermejachewr@ ethiopianairlines.com	
IBERIA	BELLO, Cristina	-	cbello@iberia.es	
Iran Air, The Airline of	KHALEGHI, Behrouz	THRQQIR	+98 214 647 840	
Islamic Republic of Iran	MADANI, Alireza	THRSIIR	khaleghi@iranair.com +98 214 647 518 ar_madani@iranair.com	
Japan Airlines Co. Ltd.	MATSUYAMA, Hisaaki	TYODFJL	+81 3 5460 5991 hisaaki.matsuyama@jal.co.jp +81 3 5460 5991	
	OIWA, Takashi	TYOFGJL	takashi.oiwa@jal.co.jp	
Jugoslovenski	VELC, Marina	BEGQTJU	+381 11 142 448	
Aerotransport (JAT)	BRASNOVIC, Zorica	BEGQTJU	velcm@jat.com +381 11 142 448 brasnovic@jat.com	
Korean Air Lines Co. Ltd.	SONG, Moon-Ho	SELFWKE	+82 2 656 5900 mhsong@koreanair.co.kr	
Libyan Arab Airlines	MAGRHI, Ayad EL ESSAWI, Taher	TIPQQLN TIPFZLN	+218 21 361 4801 +218 21 361 4806	
LOT - Polskie Linie Lotnicze	JAKOBIAK, Barbara	WAWHXLO	+48 22 606 9905 b.jakobiak@lot.pl	
Nippon Cargo Airlines (NCA)	MURAKAMI, Hidenori	TYOQTKZ	+81 3 3507 439 hidenori_murakami@ nippon-cargo.co.jp	
Qantas Airways	FINEMORE, Clive	HDQFTQF	cfinemore@qantas.com.au	
South African Airways (SAA)	PRETORIUS, Mariaan	JNBMFSA	+27 11 978 9204 pretoriusm@saacargo.co.za	
Swiss Airlines	VANDERWAL, David	-	+31 20 405 8231 dvanderwal@mail.swiss.com	
Thai Airways International Public	BUALERD, Suvimol	BKKFQTG	+662 535 4728 kemarat.s@thaiairways.co.th	
Company Ltd.	SUPPRASIT, Kemarat	BKKFQTG	+662 535 4728 suvimol.b@thaiairways.co.th	
United Airlines	SLINTAK, Rudolf	WHQFFUA	+1 847 700 2209	
	ZIMMERMAN, Rod	WHQFFUA	rudolf.slintak@ual.com +1 847 700 2209	
VARIG S.A. (Viacao Aerea Rio-Grandense)	TAGUCHI, Minoro	RIOFMRG	+55 21 246 82 668 minoro.taguchi@varig.com	

# ATTENDING UNDER ADDENDUM NO. 2

ORGANISATION	REPRESENTATIVE	TELEX	FAX/E-MAIL
Air Namibia	KAVERU, Oscar	-	+264 61 299 6178 cargomanager@ airnamibia.com.na

# IATA GENEVA (FAX NO. +41 22 799 2684; E-MAIL irms@iata.org)

NAME	TITLE	TELEX	E-MAIL
OSTERBERY, Roger	Director, Interline & Revenue Management Services	GVATGXB	osterberyr@iata.org
GILL, Rodney	Asst. Director, Industry Affairs	<b>GVATVXB</b>	gillr@iata.org
FORRESTER, Ken	Manager, Industry Affairs	<b>GVATVXB</b>	forresterk@iata.org
STAATS, Monique	Manager, Industry Affairs	<b>GVATVXB</b>	staatsm@iata.org
KRISTENSEN, Marianne	Senior Resolutions Analyst	<b>GVAQTXB</b>	kristensem@iata.org
HINES, Wendy	Manager, Conference Services	<b>GVAQTXB</b>	hinesw@iata.org
CHAUX, Suzie	Manager, Tariff Analysis &	GVATRXB	chauxs@iata.org
	Cargo Automation		_
IATA NETHERLANDS			
NAME	TITLE	TELEX	E-MAIL

### Attachment 'B'

# IATA TARIFF COORDINATING CONFERENCES - CARGO VOTING MEMBERSHIP BY AREA AND SUB-AREA

22-Apr-2002

### 1 TARIFF CONFERENCE 1

AEROLINEAS ARGENTINAS S.A. AEROLINEAS CENTRALES DE COLOMBIA S.A. (ACES) AIR CANADA AIR FRANCE

♦ AIR-INDIA

AMERICAN AIRLINES, INC. AVIANCA - AEROVIAS NACIONALES DE COLOMBIA S. A.

- ★ BRITISH AIRWAYS P.L.C. CUBANA DE AVIACION S.A. DELTA AIR LINES, INC. FEDERAL EXPRESS CORPORATION
- **★** IBERIA, LINEAS AEREAS DE ESPANA S.A.
- ★ JAPAN AIRLINES CO.LTD. LAN CHILE S.A.
- **★** LUFTHANSA CARGO AG
- ◆ PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA) PRIMERAS LINEAS URUGUAYAS DE NAVEGACION AEREA (PLUNA) TACA INTERNATIONAL AIRLINES S.A. TAM - TRANSPORTES AEREOS MERIDIONAIS S.A. UNITED AIRLINES VARIG S.A.(VIACAO AEREA RIO-GRANDENSE)

TOTAL AREA MEMBERS: 21

#### **1A** MEXICO SUB-AREA

AIR CANADA
AMERICAN AIRLINES, INC.
DELTA AIR LINES, INC.
FEDERAL EXPRESS CORPORATION

\* IBERIA, LINEAS AEREAS DE ESPANA S.A.

IBERIA, LINEAS AEREAS DE ESPANA S.A.
UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 6

### 1B CARIBBEAN SUB-AREA

AIR CANADA AIR FRANCE AMERICAN AIRLINES, INC.

★ BRITISH AIRWAYS P.L.C. CUBANA DE AVIACION S.A. DELTA AIR LINES, INC. UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 7

#### 1C LONG HAUL SUB-AREA

AEROLINEAS ARGENTINAS S.A.

AEROLINEAS CENTRALES DE COLOMBIA S.A. (ACES)

AIR CANADA

AIR FRANCE

AMERICAN AIRLINES, INC.

AVIANCA - AEROVIAS NACIONALES DE COLOMBIA S. A.

CUBANA DE AVIACION S.A.

DELTA AIR LINES, INC.

FEDERAL EXPRESS CORPORATION

- ★ IBERIA, LINEAS AEREAS DE ESPANA S.A.
- \* JAPAN AIRLINES CO.LTD.

LAN CHILE S.A.

\* LUFTHANSA CARGO AG

TACA INTERNATIONAL AIRLINES S.A.

TAM - TRANSPORTES AEREOS MERIDIONAIS S.A.

UNITED AIRLINES

VARIG S.A.(VIACAO AEREA RIO-GRANDENSE)

TOTAL SUB-AREA MEMBERS: 17

#### 1D WITHIN S. AMERICA SUB-AREA

AEROLINEAS ARGENTINAS S.A.

AEROLINEAS CENTRALES DE COLOMBIA S.A. (ACES)

AIR FRANCE

AVIANCA - AEROVIAS NACIONALES DE COLOMBIA S. A.

\* IBERIA, LINEAS AEREAS DE ESPANA S.A.

LAN CHILE S.A.

\* LUFTHANSA CARGO AG

PRIMERAS LINEAS URUGUAYAS DE NAVEGACION AEREA (PLUNA) TAM - TRANSPORTES AEREOS MERIDIONAIS S.A.

**\*** UNITED AIRLINES

VARIG S.A.(VIACAO AEREA RIO-GRANDENSE)

TOTAL SUB-AREA MEMBERS: 11

#### **2** TARIFF CONFERENCE 2

ADRIA AIRWAYS

AER LINGUS LTD.

AERO ZAMBIA LTD.

AEROFLOT - RUSSIAN AIRLINES

AIR AFRIQUE

AIR ALGERIE

AIR BOTSWANA CORPORATION

AIR FRANCE

**AIR GABON** 

AIR MALAWI LTD.

AIR MALTA P.L.C.

AIR TANZANIA CORPORATION

AIR ZIMBABWE CORPORATION

ALITALIA - LINEE AEREE ITALIANE S.P.A.

**AUSTRIAN AIRLINES** 

AVIOIMPEX A.D.P.O

BRITISH AIRWAYS P.L.C.

#### Area/Sub-area 2 (Continued)

**CAMEROON AIRLINES** 

CROATIA AIRLINES DD

CYPRUS AIRWAYS LTD.

CZECH AIRLINES (CSA)

DEUTSCHE LUFTHANSA A.G.

**EGYPTAIR** 

EL AL ISRAEL AIRLINES LTD.

ETHIOPIAN AIRLINES CORPORATION

FINNAIR OYJ

**GHANA AIRWAYS CORPORATION** 

IBERIA, LINEAS AEREAS DE ESPANA S.A.

**ICELANDAIR** 

IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN

\* JAPAN AIRLINES CO.LTD.

JUGOSLOVENSKI AEROTRANSPORT (JAT)

KENYA AIRWAYS LTD.

KLM UK LTD.

KUWAIT AIRWAYS CORPORATION

LAM - LINHAS AEREAS DE MOCAMBIQUE

LIBYAN ARAB AIRLINES

LOT - POLSKIE LINIE LOTNICZE

**LUXAIR** 

MALEV - HUNGARIAN AIRLINES PUBLIC LTD.CO.

MIDDLE EAST AIRLINES AIRLIBAN (MEA)

NIGERIA AIRWAYS LTD.

OLYMPIC AIRWAYS S.A.

\* PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

PGA - PORTUGÁLIA AIRLINES

PULKOVA AVIATION ENTERPRISE

**ROYAL AIR MAROC** 

**ROYAL JORDANIAN** 

SAUDI ARABIAN AIRLINES

SCANDINAVIAN AIRLINES SYSTEM (SAS)

SOUTH AFRICAN AIRWAYS (SAA)

SUDAN AIRWAYS COMPANY LTD.

**SWISS AIRLINES** 

SYRIAN ARAB AIRLINES

TAAG - LINHAS AEREAS DE ANGOLA (ANGOLA AIRLINES)

TAP - AIR PORTUGAL

TAROM - ROMANIAN AIR TRANSPORT S.A.

TRANSAERO AIRLINES

**TUNIS AIR** 

TURKISH AIRLINES, INC.

YEMENIA YEMEN AIRWAYS

TOTAL AREA MEMBERS:

#### 2A WITHIN EUR SUB-AREA

**ADRIA AIRWAYS** 

AER LINGUS LTD.

**AEROFLOT - RUSSIAN AIRLINES** 

AIR ALGERIE

AIR FRANCE

AIR MALTA P.L.C.

ALITALIA - LINEE AEREE ITALIANE S.P.A.

**AUSTRIAN AIRLINES** 

AVIOIMPEX A.D.P.O

BRITISH AIRWAYS P.L.C.

**CROATIA AIRLINES DD** 

CYPRUS AIRWAYS LTD.

CZECH AIRLINES (CSA)

DEUTSCHE LUFTHANSA A.G.

FINNAIR OYJ

IBERIA, LINEAS AEREAS DE ESPANA S.A.

**ICELANDAIR** 

**★** JAPAN AIRLINES CO.LTD.

JUGOSLOVENSKI AEROTRANSPORT (JAT)

KLM UK LTD.

LOT - POLSKIE LINIE LOTNICZE

**LUXAIR** 

MALEV - HUNGARIAN AIRLINES PUBLIC LTD.CO.

OLYMPIC AIRWAYS S.A.

**★** PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

PGA - PORTUGÁLIA AIRLINES

PULKOVA AVIATION ENTERPRISE

**ROYAL AIR MAROC** 

★ SAUDI ARABIAN AIRLINES

SCANDINAVIAN AIRLINES SYSTEM (SAS)

**SWISS AIRLINES** 

TAP - AIR PORTUGAL

TAROM - ROMANIAN AIR TRANSPORT S.A.

TRANSAERO AIRLINES

**TUNIS AIR** 

TURKISH AIRLINES, INC.

TOTAL SUB-AREA MEMBERS: 36

#### 2B WITHIN ME SUB-AREA

**EGYPTAIR** 

EL AL ISRAEL AIRLINES LTD.

IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN

**KUWAIT AIRWAYS CORPORATION** 

MIDDLE EAST AIRLINES AIRLIBAN (MEA)

**ROYAL JORDANIAN** 

SAUDI ARABIAN AIRLINES

SUDAN AIRWAYS COMPANY LTD.

SYRIAN ARAB AIRLINES

YEMENIA YEMEN AIRWAYS

TOTAL SUB-AREA MEMBERS:

#### 2C WITHIN AFR SUB-AREA

AERO ZAMBIA LTD.

AIR AFRIQUE

AIR BOTSWANA CORPORATION

AIR FRANCE

AIR GABON

AIR MALAWI LTD.

AIR TANZANIA CORPORATION

AIR ZIMBABWE CORPORATION

**CAMEROON AIRLINES** 

ETHIOPIAN AIRLINES CORPORATION

**GHANA AIRWAYS CORPORATION** 

KENYA AIRWAYS LTD.

LAM - LINHAS AEREAS DE MOCAMBIQUE

NIGERIA AIRWAYS LTD.

SOUTH AFRICAN AIRWAYS (SAA)

TAAG - LINHAS AEREAS DE ANGOLA (ANGOLA AIRLINES)

TOTAL SUB-AREA MEMBERS:

16

#### 2D EUR - ME SUB-AREA

ADRIA AIRWAYS

**AEROFLOT - RUSSIAN AIRLINES** 

AIR ALGERIE

AIR FRANCE

AIR MALTA P.L.C.

ALITALIA - LINEE AEREE ITALIANE S.P.A.

**AUSTRIAN AIRLINES** 

BRITISH AIRWAYS P.L.C.

CROATIA AIRLINES DD

CYPRUS AIRWAYS LTD.

CZECH AIRLINES (CSA)

DEUTSCHE LUFTHANSA A.G.

**EGYPTAIR** 

EL AL ISRAEL AIRLINES LTD.

IBERIA, LINEAS AEREAS DE ESPANA S.A.

IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN

JUGOSLOVENSKI AEROTRANSPORT (JAT)

KUWAIT AIRWAYS CORPORATION

LOT - POLSKIE LINIE LOTNICZE

MALEV - HUNGARIAN AIRLINES PUBLIC LTD.CO.

MIDDLE EAST AIRLINES AIRLIBAN (MEA)

OLYMPIC AIRWAYS S.A.

★ PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

ROYAL AIR MAROC

**ROYAL JORDANIAN** 

SAUDI ARABIAN AIRLINES

SCANDINAVIAN AIRLINES SYSTEM (SAS)

SUDAN AIRWAYS COMPANY LTD.

SYRIAN ARAB AIRLINES

TAROM - ROMANIAN AIR TRANSPORT S.A.

TRANSAERO AIRLINES

**TUNIS AIR** 

TURKISH AIRLINES, INC.

YEMENIA YEMEN AIRWAYS

#### Area/Sub-area 2D (Continued)

TOTAL SUB-AREA MEMBERS: 34

#### 2E **EUR - AFR SUB-AREA**

**AEROFLOT - RUSSIAN AIRLINES** 

AIR AFRIQUE

AIR ALGERIE

AIR FRANCE

AIR GABON

AIR MALTA P.L.C.

AIR ZIMBABWE CORPORATION

ALITALIA - LINEE AEREE ITALIANE S.P.A.

**AUSTRIAN AIRLINES** 

BRITISH AIRWAYS P.L.C.

**CAMEROON AIRLINES** 

DEUTSCHE LUFTHANSA A.G.

ETHIOPIAN AIRLINES CORPORATION

**GHANA AIRWAYS CORPORATION** 

IBERIA, LINEAS AEREAS DE ESPANA S.A.

JUGOSLOVENSKI AEROTRANSPORT (JAT)

KENYA AIRWAYS LTD.

LAM - LINHAS AEREAS DE MOCAMBIQUE

LIBYAN ARAB AIRLINES

MALEV - HUNGARIAN AIRLINES PUBLIC LTD.CO.

NIGERIA AIRWAYS LTD.

OLYMPIC AIRWAYS S.A.

**ROYAL AIR MAROC** 

SCANDINAVIAN AIRLINES SYSTEM (SAS)

SOUTH AFRICAN AIRWAYS (SAA)

TAAG - LINHAS AEREAS DE ANGOLA (ANGOLA AIRLINES)

TAP - AIR PORTUGAL

**TUNIS AIR** 

TURKISH AIRLINES, INC.

**TOTAL SUB-AREA MEMBERS:** 29

#### 2F ME - AFR SUB-AREA

AIR FRANCE

AIR GABON

AIR TANZANIA CORPORATION

**EGYPTAIR** 

EL AL ISRAEL AIRLINES LTD.

ETHIOPIAN AIRLINES CORPORATION

**GHANA AIRWAYS CORPORATION** 

KENYA AIRWAYS LTD.

LIBYAN ARAB AIRLINES

MIDDLE EAST AIRLINES AIRLIBAN (MEA)

NIGERIA AIRWAYS LTD.

**ROYAL JORDANIAN** 

SAUDI ARABIAN AIRLINES

SOUTH AFRICAN AIRWAYS (SAA)

SUDAN AIRWAYS COMPANY LTD.

SYRIAN ARAB AIRLINES

YEMENIA YEMEN AIRWAYS

CTC COMP 0400 The Hague, May 02

TOTAL SUB-AREA MEMBERS: 17

#### 3 **TARIFF CONFERENCE 3**

**AEROFLOT - RUSSIAN AIRLINES** AIR CALEDONIE INTERNATIONAL AIR CHINA INTERNATIONAL CORPORATION AIR FRANCE AIR NEW ZEALAND LTD.

AIR NIUGINI PTY LTD.

AIR-INDIA

ALL NIPPON AIRWAYS CO. LTD. (ANA)

BANGKOK AIRWAYS CO. LTD.

\* BRITISH AIRWAYS P.L.C.

CATHAY PACIFIC AIRWAYS LTD

CHINA NORTHERN AIRLINES

CHINA NORTHWEST AIRLINES

CHINA SOUTHERN AIRLINES

CHINA SOUTHWEST AIRLINES

CHINA YUNNAN AIRLINES

- **EGYPTAIR**
- FEDERAL EXPRESS CORPORATION **GARUDA INDONESIA** HONG KONG DRAGON AIRLINES LIMITED **INDIAN AIRLINES** JAPAN AIRLINES CO.LTD. KOREAN AIR LINES CO. LTD.
- \* LUFTHANSA CARGO AG NIPPON CARGO AIRLINES (NCA) PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA) QANTAS AIRWAYS LTD.
- ♦ SAUDI ARABIAN AIRLINES THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD
- **\*** UNITED AIRLINES

TOTAL AREA MEMBERS: 30

#### 3A S. ASIAN SUBCONT SUB-AREA

**INDIAN AIRLINES** PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

TOTAL SUB-AREA MEMBERS: 2

#### 3B S.E. ASIA SUB-AREA

**AEROFLOT - RUSSIAN AIRLINES** AIR CHINA INTERNATIONAL CORPORATION

- \* AIR FRANCE
- \* AIR NEW ZEALAND LTD.
- \* AIR-INDIA BANGKOK AIRWAYS CO. LTD. CATHAY PACIFIC AIRWAYS LTD CHINA NORTHERN AIRLINES

Area/Sub-area	3R	(Continu	ied)
Al Ga/ Jub-al Ga	J	( OOI IIII II	10 U I

CHINA NORTHWEST AIRLINES CHINA SOUTHERN AIRLINES CHINA SOUTHWEST AIRLINES CHINA YUNNAN AIRLINES

**\*** EGYPTAIR

GARUDA INDONESIA

HONG KONG DRAGON AIRLINES LIMITED

- \* JAPAN AIRLINES CO.LTD.
- \* LUFTHANSA CARGO AG
- **★** PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)
- \* QANTAS AIRWAYS LTD.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD

TOTAL SUB-AREA MEMBERS: 20

#### 3C S.W. PAC SUB-AREA

AIR CALEDONIE INTERNATIONAL AIR NEW ZEALAND LTD. AIR NIUGINI PTY LTD. QANTAS AIRWAYS LTD.

TOTAL SUB-AREA MEMBERS: 4

### 3D JAPAN/KOREA SUB-AREA

ALL NIPPON AIRWAYS CO. LTD. (ANA) JAPAN AIRLINES CO.LTD. KOREAN AIR LINES CO. LTD. NIPPON CARGO AIRLINES (NCA)

**\*** UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 5

# 3E S. ASIAN SUBCONT - S.E. ASIA SUB-AREA

AIR CHINA INTERNATIONAL CORPORATION
AIR-INDIA
CATHAY PACIFIC AIRWAYS LTD
CHINA SOUTHWEST AIRLINES
HONG KONG DRAGON AIRLINES LIMITED
INDIAN AIRLINES

PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

**\*** QANTAS AIRWAYS LTD.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD

TOTAL SUB-AREA MEMBERS: 9

# 3F S. ASIAN SUBCONT - S.W. PAC SUB-AREA

QANTAS AIRWAYS LTD.

TOTAL SUB-AREA MEMBERS:

#### 3G S. ASIAN SUBCONT - JAPAN/KOREA SUB-AREA

AIR-INDIA JAPAN AIRLINES CO.LTD. KOREAN AIR LINES CO. LTD.

TOTAL SUB-AREA MEMBERS: 3

#### 3H S.E. ASIA - S.W. PAC SUB-AREA

AIR CHINA INTERNATIONAL CORPORATION AIR NEW ZEALAND LTD. AIR NIUGINI PTY LTD.

- BRITISH AIRWAYS P.L.C. CATHAY PACIFIC AIRWAYS LTD CHINA SOUTHERN AIRLINES
- ★ EGYPTAIR GARUDA INDONESIA
- \* LUFTHANSA CARGO AG
  QANTAS AIRWAYS LTD.
  THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD

TOTAL SUB-AREA MEMBERS: 11

#### 3I S.E. ASIA - JAPAN/KOREA SUB-AREA

AEROFLOT - RUSSIAN AIRLINES
AIR CHINA INTERNATIONAL CORPORATION

\* AIR-INDIA

ALL NIPPON AIRWAYS CO. LTD. (ANA)
CATHAY PACIFIC AIRWAYS LTD
CHINA NORTHERN AIRLINES
CHINA NORTHWEST AIRLINES
CHINA SOUTHERN AIRLINES
CHINA SOUTHWEST AIRLINES
CHINA YUNNAN AIRLINES

\* EGYPTAIR
GARUDA INDONESIA
HONG KONG DRAGON AIRLINES LIMITED
JAPAN AIRLINES CO.LTD.
KOREAN AIR LINES CO. LTD.
NIPPON CARGO AIRLINES (NCA)

- \* PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA) THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD
- **\*** UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 19

# 3J S.W. PAC - JAPAN/KOREA SUB-AREA

AIR CALEDONIE INTERNATIONAL AIR FRANCE AIR NEW ZEALAND LTD. AIR NIUGINI PTY LTD. JAPAN AIRLINES CO.LTD. KOREAN AIR LINES CO. LTD.

#### Area/Sub-area 3J (Continued)

QANTAS AIRWAYS LTD.

#### TOTAL SUB-AREA MEMBERS:

#### 4 TARIFF CONFERENCE 1/2

AER LINGUS LTD.

**AEROFLOT - RUSSIAN AIRLINES** 

AEROLINEAS ARGENTINAS S.A.

- ◆ AIR ALGERIE
- **♦** AIR BOTSWANA CORPORATION

AIR CANADA

AIR FRANCE

- ♦ AIR GABON
- AIR TANZANIA CORPORATION
- \* AIR-INDIA

ALITALIA - LINEE AEREE ITALIANE S.P.A.

AMERICAN AIRLINES, INC.

**AUSTRIAN AIRLINES** 

AVIANCA - AEROVIAS NACIONALES DE COLOMBIA S. A.

BRITISH AIRWAYS P.L.C.

- **♦** CAMEROON AIRLINES
- CROATIA AIRLINES DD

CUBANA DE AVIACION S.A.

CZECH AIRLINES (CSA)

DELTA AIR LINES, INC.

DEUTSCHE LUFTHANSA A.G.

**EGYPTAIR** 

EL AL ISRAEL AIRLINES LTD.

FEDERAL EXPRESS CORPORATION

FINNAIR OYJ

GHANA AIRWAYS CORPORATION

IBERIA, LINEAS AEREAS DE ESPANA S.A.

**ICELANDAIR** 

- ◆ IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN
- ◆ JUGOSLOVENSKI AEROTRANSPORT (JAT)
- ♦ KENYA AIRWAYS LTD.

**KUWAIT AIRWAYS CORPORATION** 

LAN CHILE S.A.

LOT - POLSKIE LINIE LOTNICZE

MALEV - HUNGARIAN AIRLINES PUBLIC LTD.CO.

NIGERIA AIRWAYS LTD.

OLYMPIC AIRWAYS S.A.

★ PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

ROYAL AIR MAROC

**ROYAL JORDANIAN** 

SAUDI ARABIAN AIRLINES

SCANDINAVIAN AIRLINES SYSTEM (SAS)

SOUTH AFRICAN AIRWAYS (SAA)

- ♦ SUDAN AIRWAYS COMPANY LTD.
- ♦ SYRIAN ARAB AIRLINES

TAAG - LINHAS AEREAS DE ANGOLA (ANGOLA AIRLINES)

TAM - TRANSPORTES AEREOS MERIDIONAIS S.A.

TAP - AIR PORTUGAL

TAROM - ROMANIAN AIR TRANSPORT S.A.

#### Area/Sub-area 4 (Continued)

- ◆ TRANS MEDITERRANEAN AIRWAYS S.A.L.
- ◆ TRANSAERO AIRLINES TURKISH AIRLINES, INC. UNITED AIRLINES VARIG S.A.(VIACAO AEREA RIO-GRANDENSE)
- ♦ YEMENIA YEMEN AIRWAYS

TOTAL AREA MEMBERS: 55

## 4A N. ATL - EUR SUB-AREA

AER LINGUS LTD.
AEROFLOT - RUSSIAN AIRLINES
AIR CANADA
AIR FRANCE

\* AIR-INDIA

ALITALIA - LINEE AEREE ITALIANE S.P.A. AMERICAN AIRLINES, INC. AUSTRIAN AIRLINES BRITISH AIRWAYS P.L.C.

CZECH AIRLINES (CSA) DELTA AIR LINES, INC.

DEUTSCHE LUFTHANSA A.G.

FEDERAL EXPRESS CORPORATION

FINNAIR OYJ

IBERIA, LINEAS AEREAS DE ESPANA S.A.

**ICELANDAIR** 

LOT - POLSKIE LINIE LOTNICZE

MALEV - HUNGARIAN AIRLINES PUBLIC LTD.CO.

OLYMPIC AIRWAYS S.A.

★ PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA) ROYAL AIR MAROC

\* ROYAL JORDANIAN

SCANDINAVIAN AIRLINES SYSTEM (SAS)

TAP - AIR PORTUGAL

TAROM - ROMANIAN AIR TRANSPORT S.A.

TURKISH AIRLINES, INC.

**UNITED AIRLINES** 

TOTAL SUB-AREA MEMBERS: 27

# 4B N. ATL - ME SUB-AREA

AIR CANADA
AMERICAN AIRLINES, INC.
DELTA AIR LINES, INC.
EGYPTAIR
EL AL ISRAEL AIRLINES LTD.
KUWAIT AIRWAYS CORPORATION
ROYAL JORDANIAN
SAUDI ARABIAN AIRLINES
UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 9

#### 4C N. ATL - AFR SUB-AREA

DELTA AIR LINES, INC.
GHANA AIRWAYS CORPORATION
NIGERIA AIRWAYS LTD.
SOUTH AFRICAN AIRWAYS (SAA)
UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 5

# 4D M. ATL - EUR SUB-AREA

AEROFLOT - RUSSIAN AIRLINES
AIR FRANCE
ALITALIA - LINEE AEREE ITALIANE S.P.A.
AVIANCA - AEROVIAS NACIONALES DE COLOMBIA S. A.
BRITISH AIRWAYS P.L.C.
CUBANA DE AVIACION S.A.
DEUTSCHE LUFTHANSA A.G.
IBERIA, LINEAS AEREAS DE ESPANA S.A.

\* SCANDINAVIAN AIRLINES SYSTEM (SAS) TAP - AIR PORTUGAL

TOTAL SUB-AREA MEMBERS: 10

#### 4G S. ATL - EUR SUB-AREA

AEROLINEAS ARGENTINAS S.A. AIR FRANCE ALITALIA - LINEE AEREE ITALIANE S.P.A. BRITISH AIRWAYS P.L.C. DEUTSCHE LUFTHANSA A.G. IBERIA, LINEAS AEREAS DE ESPANA S.A. LAN CHILE S.A.

\* SCANDINAVIAN AIRLINES SYSTEM (SAS)
TAM - TRANSPORTES AEREOS MERIDIONAIS S.A.
TAP - AIR PORTUGAL
VARIG S.A.(VIACAO AEREA RIO-GRANDENSE)

TOTAL SUB-AREA MEMBERS: 11

# 4I S. ATL - AFR SUB-AREA

SOUTH AFRICAN AIRWAYS (SAA) TAAG - LINHAS AEREAS DE ANGOLA (ANGOLA AIRLINES) VARIG S.A.(VIACAO AEREA RIO-GRANDENSE)

TOTAL SUB-AREA MEMBERS: 3

#### 5 TARIFF CONFERENCE 2/3

- AER LINGUS LTD.
   AEROFLOT RUSSIAN AIRLINES
- ◆ AIR AFRIQUE
- ◆ AIR ALGERIE
- ♦ AIR BOTSWANA CORPORATION

#### Area/Sub-area 5 (Continued)

AIR CHINA INTERNATIONAL CORPORATION AIR FRANCE

◆ AIR MALTA P.L.C.

AIR NEW ZEALAND LTD.

- ◆ AIR NIUGINI PTY LTD.
- **♦** AIR TANZANIA CORPORATION

**AIR-INDIA** 

ALITALIA - LINEE AEREE ITALIANE S.P.A.

ALL NIPPON AIRWAYS CO. LTD. (ANA)

**AUSTRIAN AIRLINES** 

BRITISH AIRWAYS P.L.C.

**♦** CAMEROON AIRLINES

CATHAY PACIFIC AIRWAYS LTD

CHINA SOUTHERN AIRLINES

- **♦ CHINA YUNNAN AIRLINES**
- ◆ CROATIA AIRLINES DD

DEUTSCHE LUFTHANSA A.G.

**EGYPTAIR** 

EL AL ISRAEL AIRLINES LTD.

ETHIOPIAN AIRLINES CORPORATION

**★** FEDERAL EXPRESS CORPORATION

FINNAIR OYJ

**GARUDA INDONESIA** 

HONG KONG DRAGON AIRLINES LIMITED

IBERIA, LINEAS AEREAS DE ESPANA S.A.

**INDIAN AIRLINES** 

IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN

JAPAN AIRLINES CO.LTD.

◆ JUGOSLOVENSKI AEROTRANSPORT (JAT)

KENYA AIRWAYS LTD.

KOREAN AIR LINES CO. LTD.

KUWAIT AIRWAYS CORPORATION

NIPPON CARGO AIRLINES (NCA)

OLYMPIC AIRWAYS S.A.

PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)

QANTAS AIRWAYS LTD.

**ROYAL JORDANIAN** 

SAUDI ARABIAN AIRLINES

SCANDINAVIAN AIRLINES SYSTEM (SAS)

SOUTH AFRICAN AIRWAYS (SAA)

SUDAN AIRWAYS COMPANY LTD.

TAROM - ROMANIAN AIR TRANSPORT S.A.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD

TRANSAERO AIRLINES

TURKISH AIRLINES, INC.

YEMENIA YEMEN AIRWAYS

TOTAL AREA MEMBERS:

51

# 5A EUR - S. ASIAN SUBCONT (2/3) SUB-AREA

**AEROFLOT - RUSSIAN AIRLINES** 

AIR FRANCE

AIR-INDIA

ALITALIA - LINEE AEREE ITALIANE S.P.A.

**AUSTRIAN AIRLINES** 

#### Area/Sub-area 5A (Continued)

BRITISH AIRWAYS P.L.C.
DEUTSCHE LUFTHANSA A.G.
PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)
TURKISH AIRLINES, INC.

TOTAL SUB-AREA MEMBERS: 9

### **5B** EUR - S.E. ASIA (2/3 AND 1/2/3) SUB-AREA

AEROFLOT - RUSSIAN AIRLINES
AIR CHINA INTERNATIONAL CORPORATION
AIR FRANCE
ALITALIA - LINEE AEREE ITALIANE S.P.A.
AUSTRIAN AIRLINES
BRITISH AIRWAYS P.L.C.
CATHAY PACIFIC AIRWAYS LTD
CHINA SOUTHERN AIRLINES
DEUTSCHE LUFTHANSA A.G.

\* FEDERAL EXPRESS CORPORATION FINNAIR OYJ GARUDA INDONESIA IBERIA, LINEAS AEREAS DE ESPANA S.A. OLYMPIC AIRWAYS S.A.

\* QANTAS AIRWAYS LTD.
SCANDINAVIAN AIRLINES SYSTEM (SAS)
TAROM - ROMANIAN AIR TRANSPORT S.A.
THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD
TRANSAERO AIRLINES
TURKISH AIRLINES, INC.

TOTAL SUB-AREA MEMBERS: 20

### **5C** EUR - S. W. PAC (2/3 AND 1/2/3) SUB-AREA

AIR FRANCE
AIR NEW ZEALAND LTD.
ALITALIA - LINEE AEREE ITALIANE S.P.A.
BRITISH AIRWAYS P.L.C.
DEUTSCHE LUFTHANSA A.G.
FINNAIR OYJ
IBERIA, LINEAS AEREAS DE ESPANA S.A.
QANTAS AIRWAYS LTD.

TOTAL SUB-AREA MEMBERS: 8

#### 5D EUR - JAPAN/KOREA (2/3 AND 1/2/3) SUB-AREA

AEROFLOT - RUSSIAN AIRLINES
AIR FRANCE
ALITALIA - LINEE AEREE ITALIANE S.P.A.
ALL NIPPON AIRWAYS CO. LTD. (ANA)
AUSTRIAN AIRLINES
BRITISH AIRWAYS P.L.C.
DEUTSCHE LUFTHANSA A.G.

FEDERAL EXPRESS CORPORATION FINNAIR OYJ IBERIA, LINEAS AEREAS DE ESPANA S.A. Area/Sub-area 5D (Continued)

JAPAN AIRLINES CO.LTD. KOREAN AIR LINES CO. LTD. NIPPON CARGO AIRLINES (NCA) TURKISH AIRLINES, INC.

TOTAL SUB-AREA MEMBERS: 14

**5E** ME - S. ASIAN SUBCONT (2/3 AND 1/2/3) SUB-AREA

AIR-INDIA
EGYPTAIR
EL AL ISRAEL AIRLINES LTD.
INDIAN AIRLINES
IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN
KUWAIT AIRWAYS CORPORATION
PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)
ROYAL JORDANIAN
SAUDI ARABIAN AIRLINES
YEMENIA YEMEN AIRWAYS

TOTAL SUB-AREA MEMBERS: 10

**5F** ME - S.E. ASIA (2/3 AND 1/2/3) SUB-AREA

AIR CHINA INTERNATIONAL CORPORATION
CATHAY PACIFIC AIRWAYS LTD
CHINA SOUTHERN AIRLINES
EGYPTAIR
EL AL ISRAEL AIRLINES LTD.
GARUDA INDONESIA
HONG KONG DRAGON AIRLINES LIMITED
IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN
KUWAIT AIRWAYS CORPORATION
ROYAL JORDANIAN
SAUDI ARABIAN AIRLINES
THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD
YEMENIA YEMEN AIRWAYS

TOTAL SUB-AREA MEMBERS: 13

**5G** ME - S. W. PAC (2/3 AND 1/2/3) SUB-AREA

**EGYPTAIR** 

TOTAL SUB-AREA MEMBERS: 1

5H ME - JAPAN/KOREA (2/3 AND 1/2/3) SUB-AREA

EGYPTAIR
EL AL ISRAEL AIRLINES LTD.
IRAN AIR, THE AIRLINE OF ISLAMIC REPUBLIC OF IRAN
KOREAN AIR LINES CO. LTD.
SAUDI ARABIAN AIRLINES

TOTAL SUB-AREA MEMBERS: 5

## 5I AFR - S. ASIAN SUBCONT (2/3 AND 1/2/3) SUB-AREA

AIR-INDIA
ETHIOPIAN AIRLINES CORPORATION
KENYA AIRWAYS LTD.
PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA)
SOUTH AFRICAN AIRWAYS (SAA)

TOTAL SUB-AREA MEMBERS: 5

### **5J** AFR - S.E. ASIA (2/3 AND 1/2/3) SUB-AREA

CATHAY PACIFIC AIRWAYS LTD ETHIOPIAN AIRLINES CORPORATION SOUTH AFRICAN AIRWAYS (SAA) THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LTD

TOTAL SUB-AREA MEMBERS: 4

5K AFR - S. W. PAC (2/3 AND 1/2/3) SUB-AREA

QANTAS AIRWAYS LTD. SOUTH AFRICAN AIRWAYS (SAA)

TOTAL SUB-AREA MEMBERS: 2

- 6 TARIFF CONFERENCE 1/2/3 VIA TARIFF CONFERENCE 1
  - ♦ AIR NIUGINI PTY LTD.
  - ◆ AMERICAN AIRLINES, INC.
  - ◆ QANTAS AIRWAYS LTD.
  - ♦ SYRIAN ARAB AIRLINES

TOTAL AREA MEMBERS: 4

# 7 TARIFF CONFERENCE 3/1

AEROLINEAS ARGENTINAS S.A. AIR CANADA AIR CHINA INTERNATIONAL CORPORATION AIR FRANCE AIR NEW ZEALAND LTD.

AIR NEW ZEALAND LIL

- AIR NIUGINI PTY LTD.
   ALL NIPPON AIRWAYS CO. LTD. (ANA)
   AMERICAN AIRLINES, INC.
- ARIANA AFGHAN AIRLINES CO. LTD. CATHAY PACIFIC AIRWAYS LTD CHINA SOUTHERN AIRLINES DELTA AIR LINES, INC. FEDERAL EXPRESS CORPORATION
- HONG KONG DRAGON AIRLINES LIMITED JAPAN AIRLINES CO.LTD. KOREAN AIR LINES CO. LTD. LAN CHILE S.A.
- **♦ LUFTHANSA CARGO AG**

Area/Sub-area	7	(Continued)	

NIPPON CARGO AIRLINES (NCA)

◆ PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIA) QANTAS AIRWAYS LTD. UNITED AIRLINES

TOTAL AREA MEMBERS: 22

#### 7A N. AND C. PAC - S. ASIAN SUBCONT SUB-AREA

DELTA AIR LINES, INC. UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 2

#### 7B N. AND C. PAC - S.E. ASIA SUB-AREA

AIR CANADA
AIR CHINA INTERNATIONAL CORPORATION
AMERICAN AIRLINES, INC.
CATHAY PACIFIC AIRWAYS LTD
CHINA SOUTHERN AIRLINES
DELTA AIR LINES, INC.
FEDERAL EXPRESS CORPORATION
UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 8

#### 7C N. AND C. PAC - JAPAN/KOREA SUB-AREA

AIR CANADA
ALL NIPPON AIRWAYS CO. LTD. (ANA)
AMERICAN AIRLINES, INC.
DELTA AIR LINES, INC.
FEDERAL EXPRESS CORPORATION
JAPAN AIRLINES CO.LTD.
KOREAN AIR LINES CO. LTD.
NIPPON CARGO AIRLINES (NCA)
UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 9

#### 7D SOUTH PACIFIC SUB-AREA

AEROLINEAS ARGENTINAS S.A.
AIR CANADA
AIR FRANCE
AIR NEW ZEALAND LTD.
AMERICAN AIRLINES, INC.
FEDERAL EXPRESS CORPORATION
LAN CHILE S.A.
QANTAS AIRWAYS LTD.
UNITED AIRLINES

TOTAL SUB-AREA MEMBERS: 9

#### 8 TARIFF CONFERENCE 1/2/3

- ◆ AIR FRANCE
- ♦ AIR NEW ZEALAND LTD.
- ♦ AIR NIUGINI PTY LTD.
- ◆ ARIANA AFGHAN AIRLINES CO. LTD.
- ◆ BRITISH AIRWAYS P.L.C.
- ◆ FEDERAL EXPRESS CORPORATION
- ♦ JAPAN AIRLINES CO.LTD.
- ◆ LUFTHANSA CARGO AG
- ◆ QANTAS AIRWAYS LTD.
- ♦ SAUDI ARABIAN AIRLINES
- ◆ SOUTH AFRICAN AIRWAYS (SAA)

TOTAL SUB-AREA MEMBERS: 11

#### **KEY TO NOTES:**

- ★ VOTING MEMBER FIFTH FREEDOM ELECTION (SECTION II SUBPARAGRAPH 6 (III) OF THE PROVISIONS)
- ♦ VOTING MEMBER OTHER THAN FIFTH FREEDOM ELECTION (SECTION II SUBPARAGRAPH 6 (IV) OF THE PROVISIONS)
- VOTING MEMBER ADDENDUM NO. 3 OF THE PROVISIONS

### Attachment 'C'

# Status of Cargo Agreements - Composite (as at 21 May 2002)

### Rates Period 1 Oct 2000 - 30 Sep 2002:

Area/Sub-Area	Status	Effectiv Intended	ve Date Actual	Expiry Date	Government Action (see Notes)
Mail Vote 075, Resolution 002 Revalidating/Adopting/ Amending TC1 and TC12 USA/US Territories- Austria, Belgium, Chile, Germany, Italy, Netherlands, Scandinavia, Switzerland (CTC COMP 0275)	Closed	1 Oct 00	1 Oct 00	30 Sep 02	USA
Expedited Composite Resolution 506 (New) Special Surcharge Resolution from Japan (except USA/US Territories) (CTC COMP 0280)	Adopted	1 Jul 00	Will not be decl. eff. see Notes	30 Sep 02	
Expedited Composite Resolution 506 (New) Special Surcharge Resolution from Japan (USA/US Territories) (CTC COMP 0281)	Adopted	1 Jul 00	Will not be decl. eff. see Notes	30 Sep 02	
Expedited Composite Resolutions (USA/US Territories) (CTC COMP 0283)	Closed	1 Aug 00	1 Apr 01 see Notes	Indefinite	USA
Expedited Resolution 002kk Special Amending Resolution (except USA/US Territories) (CTC COMP 0284)	Closed	1 Aug 00	1 Aug 00 see Notes	30 Sep 00	India awaited Thailand USA
Expedited Resolutions 002nn and 015aa (USA/US Territories) (CTC COMP 0285)	Closed	1 Aug 00	1 Apr 01 see Notes	30 Sep 00/ Indefinite	USA
Composite Resolutions (USA/US Territories) (CTC COMP 0286)	Closed	1 Oct 00	20 Dec 00	30 Sep 02/ Indefinite	USA
Worldwide Area Resolutions (except USA/US Territories) (CTC COMP 0287)	Closed	1 Oct 00	1 Oct 00	30 Sep 02/ Indefinite	USA
Worldwide Area Resolutions (USA/US Territories) (CTC COMP 0288)	Closed	1 Oct 00	8 Mar 01	30 Sep 02/ Indefinite	USA

#### Rates Period 1 Oct 2000 - 30 Sep 2002 (cont'd):

Area/Sub-Area	Status	Effectiv Intended	/e Date Actual	Expiry Date	Government Action (see Notes)
Worldwide Area Resolutions (Revalidating) (CTC COMP 0289)	Closed	1 Oct 00	1 Oct 00	30 Sep 02	USA

#### Status of Cargo Agreements - Composite

(as at 21 May 2002)

#### **Explanation of Notes**

Expedited Resolution 002kk Declared effective 1 August 2000 except from India

Expedited Resolution 506 The Japanese Government will not approve. Therefore, Resolution 506 will

not be declared effective

#### **Government Action**

Brazil Resolution 519 - Fee for Charges Collect. Approval is pending for the increase from 2% to

5% circulated by BA filing 9YY0296 eff 12 Nov 01.

Thailand Expedited Resolution 002kk:

Approved for effectiveness 1 October 2000 from Thailand

United States Approved the following Resolutions, subject to conditions previously imposed:

Expedited Resolution 506 (except USA/US Territories)	CTC COMP 0280	Docket 00-7405
Expedited Resolution 002kk	CTC COMP 0284	Order 2000-6-19
Mail Vote 075 Resolution 002	CTC COMP 0275	Order 2000-7-12
Worldwide Area Resolutions	CTC COMP 0287	Docket 2000-7614
(except USA/US Territories)		
Worldwide Area Resolutions	CTC COMP 0289	Docket 2000-7626
Composite Resolutions	CTC COMP 0286	Order 2000-12-19
Worldwide Area Resolutions	CTC COMP 0288	Order 2001-3-2

#### provided that:

- a) notwithstanding any provisions of these resolutions or any other resolutions, all rates and charges to/from U.S. points established pursuant to these resolutions shall be maximums; and
- b) each and every carrier operating pursuant to such resolutions may implement rates and charges below those established by these resolutions

Expedited Composite Resolutions (CTC COMP 0283): approved in Order 2001-3-24 subject to conditions previously imposed **except disapproved Attachment A to Resolution 503**.

Expedited Resolutions 002nn and 015aa (CTC COMP 0285): approved in Order 2001-3-25 subject to conditions previously imposed **except disapproved rates to/from Libya in Resolution 002nn**.

#### **Filing Formalities**

IATA files agreements (consisting of Minutes, Resolutions and rates tables) with the authorities of Canada, Germany, Hong Kong SAR, and the USA. For those other countries where a TC Member is based, and if a filing is required by its government, it is assumed that the national carrier(s) of that country will submit that filing on behalf of all TC Members. IATA submits agreements on behalf of TC Members to the authorities in Bahrain, Malaysia, Oman, Qatar, Seychelles, Singapore, United Arab Emirates, Venezuela.

It is the responsibility of each Member to determine if the approval of its government is necessary before an agreement can be declared effective. Today the governments of Argentina, Brazil, Colombia, India, Italy, Japan, Kenya, Korea (Rep. of), New Zealand, Nigeria have made it known that their specific approval is required on agreements involving their country and the USA's approval is required for all agreements. At the end of a filing period, unless notified to the contrary, we assume all other governments have approved the agreement.

Agreements are declared effective based upon the information provided to us directly from the governments we have filed with, from TC Members and by other carriers. This status document reflects that information provided to us by these sources.

#### Attachment 'D'

#### REPORT OF THE CARGO TARIFF CONFERENCES STEERING GROUP

#### **Background**

- In accordance with the Rules and Regulations of the Cargo Tariff Conferences Steering Group (CSG) a report must be submitted to each Composite meeting of the Cargo Tariff Conferences.
- 243 Given below is a report of activities since the May meeting in 2000.

#### **Meetings**

244 The 12<sup>th</sup> Regular CSG meeting was held during the May 2000 Composite meeting of the Cargo Tariff Conferences. Since then the CSG has only met twice:

Special meeting Geneva 13-14 December 2000

13th Regular meeting Geneva 24 April 2002

245 The attendance at the above meetings is shown at Attachment 'A'.

#### Membership and Rules and Regulations

246 The Cargo Steering Group Membership and Officers will be up for election at the Composite Conference. The Rules and Regulations of the CSG are attached to Conf. Doc. 5 - Cargo Tariff Conferences Steering Group (CSG) - Membership.

#### **Activities**

247 The following are the main issues addressed by the CSG since the last Composite meeting:

Extraordinary Cost Increase Facility
Review of IATA Cargo Resolutions and Rates Data Base
European Economic Area (EEA)
US DoT
Action Items for Composite:
Libya Rates
Note 560 Cabotage

Resolution 503

#### **Extraordinary Cost Increase Facility**

Following government disapproval's of IATA resolutions to introduce surcharges to compensate for extraordinary increased costs the CSG once again addressed this issue. It was recognised that many carriers had independently introduced special surcharges to cope with increased fuel costs, and as such these carriers saw little need for an IATA enabling facility. However, in some countries, carriers were unable to introduce a surcharge without an IATA agreement. Despite concerns expressed over the effect on carriers who had taken unilateral action, the difficulty of overcoming certain governments concerns and potential quorum problems, the CSG supported calling a Composite Conference to address extraordinary cost increases. It was agreed that it should be convened during February 2001, preceded by a CSG meeting to review the agenda. It was also confirmed that such Conference would need the approval of the Director General and would exclude Within Europe. In the event, the conference was called but subsequently postponed and then cancelled due to the inability to meet quorum requirements.

#### **Review of IATA Cargo Resolutions and Rates Data Base**

The CSG were advised that internally in IATA work had been undertaken in reviewing the Cargo Resolutions and Rates Data Base. Whilst prepared to carry on with the review, the Secretariat sought CSG support for pursuing this clean-up action and ensuring that the intent was clearly reflected in TACT. The CSG fully supported this exercise and identified a number of specific areas such as duplication, unused rates, the many exceptions shown today, SCR numbering and out of date resolutions. It was originally proposed to set up a working group. However, it was decided to add this exercise to the proposed conference on extraordinary cost increases with a view to encouraging Members to attend. In the event, the conference was called but subsequently postponed and then cancelled due to the inability to meet quorum requirements. IATA had prepared a substantial number of proposals on simplification and clean up and these papers have been placed on the agenda of this conference.

#### **European Economic Area (EEA)**

250 In May 2001 the European Commission advised that they had decided to raise objections to IATA's application for an individual exemption. In their 'Statement of Objections' they expressed their view that Cargo Tariff Consultations were not indispensable to provide customers with efficient interlining services within the EEA. In IATA's view, the legal and factual analysis in their statement of objections was flawed in a number of important respects. However following consultations with the Cargo Committee, the Industry Affairs Committee, and European tariff Member's cargo experts it was concluded that the commercial value for Members of multilateral cargo interlining with the EEA was no longer sufficient to justify the cost of further administrative procedures and that a compromise should be sought. Discussions with the EC revealed that, if IATA members were prepared, for transport within the EEA, to remove all existing rate levels and provisions which directly affect prices, then the Commission would be prepared to close the case with a letter determining that the remaining resolutions do not raise competition concerns - a so-called comfort letter.

251 Changes to the within Europe agreement were adopted by Mail Vote 927 on 12 October 2001 and multilateral interline rates between countries in the EEA, and related states & territories were removed from IATA's data base and from the TACT on 1 February 2002. The Commission issued their comfort letter on 17 October 2001 covering the Resolutions shown at Attachment 'B'.

#### **US DoT**

- At a Cargo Services meeting in March 2001, specific **Cargo Service** Resolutions and Recommended Practices were identified and agreed as no longer requiring US DOT immunity. Any future changes would only be submitted for information purposes. These resolutions were submitted to the DoT on February 13, 2002 and assigned Docket OST-2002-11589.
- 253 The Cargo Business Processes Panel (CBPP) identified further Resolutions and Recommended Practices that would no longer require US immunity. This 2<sup>nd</sup> tranche were agreed at CSC/24 and will be submitted to the U.S. DOT upon final IATA Legal review. Resolutions and Recommended Practices included in the 1<sup>st</sup> and 2<sup>nd</sup> tranche are shown at Attachment 'C'.

#### **Action Items for Composite:**

#### Libya Rates

- At the last Cargo Conference the package(s) of adopted resolutions included Resolutions 501 / 550 / 590 rate amendments from Libya. Following submissions to governments the package(s) were declared effective except for amendments to/from Libya as these had been specifically disapproved by the US DoT in their order 2001-3-25. The US DoT have maintained their position of disapproving any submissions involving rates between the United States and Libya since 1986 and are not expected to change in the near future. IATA continues to maintain rates to / from Libya on their data base and TACT publishes these rates.
- 255 The CSG debated whether or not to maintain rates from Libya on the IATA data base that cannot be declared effective because of the DoT position. It was agreed to recommend to conference that industry rates between USA and Libya be removed from the IATA data base.

#### Note 560 Cabotage

256 IATA has received questions from Members on rates with notes and incompatibility of notes and certain Members' systems. The rates in question were those with the cabotage note 560. The CSG reviewed the rates in question and strongly recommend to conference that all rates with note 560 are deleted from the IATA data base.

#### **Resolution 503**

- 257 The status of this Resolution is that the Attachment has been disapproved by the US DoT in Order 2001-2-24. Despite this however a filing(s) has been made under Resolutions 116aa/bb to introduce/amend levels in the Attachment, which have not been disapproved by the US DoT. There has been considerable discussion with the IATA Washington office and the US DoT on this disapproval but no action has been taken to re-file the Attachment with a full explanation. Given the current status the Conferences will be asked to determine the future of Resolution 503. The views of the CSG were sought prior to conference debate.
- The CSG agreed that this resolution must be maintained and discussed ways to amend the text to overcome the concerns raised above. The recommendation to conference is to delete attachment 'A' of Resolution 503 and amend paragraph 8) to indicate that currency equivalents of XDR17 (SDR) will be shown in Attachment 'A' to Resolution 033c (Cargo construction rates) and will be valid for a four month period.

# Attachment 'A' to CSG Report

#### CARGO TARIFF CONFERENCES STEERING GROUP ATTENDANCE

		12th Mtg GVA 15 May 00	Special Mtg GVA 13/14 Dec 00	13th Mtg GVA 24 Apr 02
Members				
Seye, Souleymane	Air Afrique	X		
Huang, Qun	Air China	X		
Lamande, Martine	Air France	X		X
Nove, Francesco ++	Alitalia	X	X	X
Wells, Jeanne	American Airlines	X	X	X
N'Djoh Gustave	Cameroon Airlines	NA		
Kauppi, Kari	Finnair			
Paknejad, Alireza	Iran Air		X	NA
Matsuyama Hisaaki	Japan Airlines	X	X	
Jovanovioc, Marjeta	JAT	X	X	NA
Azar Rabith	MEA	NA		
Arab, Saud	Saudia			X
Kalczyk, Gunter **	Swissair	X	X	NA
Bualerd, Suvimol	Thai Airways	X	X	X
Nijankin Isaac	Varig	NA		
<b>Observers</b> Aer Lingus	Mahon John		X	
Air France	Gougeat Daniele		X	
All Nippon Airways	Sugimoto Sadami	X	71	
American Airlines	Austin Keith	X		
Egyptair	Salah Kadri	21		X
Буршп	Alhamid S		X	21
	Eldemerdash M. W.		X	
IBERIA	Rodriguez, Elvira	X	X	
Icelandair	Halldorsdottir E.	71	X	
Japan Airlines	Ishikawa Hidemasa	X	7 %	
supun minico	Oiwa Takashi	11	X	X
JAT	Boskoviv Slobodanka	X	71	11
Lufthansa	Grundhoefer, Thomas	X		
MEA	Kharrat Salim	X		
Nippon Cargo Airlines	Murakami Hidenori	X		
Saudia	Alyami Hamad	X		
SAS	Ohlsson, Eva	X		
United Airlines	Slintak Rudolf	X		
	Zimmerman Rod		X	

<sup>\*\*</sup> Chairman / ++ Vice Chairman / NA = Not Applicable

# Attachment 'B' to CSG Report

# Tariff Conference Resolutions identified in the Commission's Comfort letter

001	Permanent Effectiveness Resolution
006	Government Approvals
006aa	Special Administrative Resolution (adopted May 1998)
007	Resolution Prefixes
800	Adjustment of Effectiveness Dates
008a	Extension of Expiry Date
012	Glossary of Terms
012a	Countries, Currencies, Codes - Administrative Resolution
014b	Construction Rules for Cargo Rates (Paragraph 4 only – Paragraphs 1 to 3 of
	the Resolution will no longer apply within the EEA)
033a	Establishing Cargo Rates, Charges and Amounts
033b	Kilogram/Pound Application, Conversion and Publication
033c	Construction of Through Cargo Rates and Charges
033d	Currency Names, Codes, Rounding Off Units and Acceptability of Currencies
033g	Conversion of US Dollar Specified Amounts into Local Currencies
049a	Application of Changes in Rates
200c	Transportation of Human Eyes and Dehydrated Corneas
200g	Filing of Government Requirements and Authorisations
502	Low Density Cargo
503	Charges in Relation to Value
504	Lower Charge in Higher Weight Category
505	Air Cargo Rates Airport to Airport
507b	Use of Surface Transportation
508e	Charges for Stalls - ECAA
509e	Charges for Disbursements - ECAA
512	Transit Charges
512e	Charge for Preparation of Air Waybill - ECAA
514	Chargeable Weight for Consignments in ULDS
518e	Dangerous Goods Handling Fee - ECAA
519e	Fee for Charges Collect - ECAA
522e	Charges for the Use of TC Member Owned ULDS, ECAA
523	Standard Aircraft ULDS
590aa	SCRS Item Numbers and Description Guide

# **Attachment 'C' to CSG Report**

# Cargo Services Conference Resolutions no longer requiring US immunity

		Tranche	
		1 <sup>st</sup>	2 <sup>nd</sup>
603	Notice of non-Delivery (Irregularity Report) (IRP)	<b>V</b>	
606	Bar Coded Label	<b>'</b>	
606a	Non-Bar Coded Label	<b>'</b>	
607	Standards for Labels and Tags for Special Shipments	<b>'</b>	
610	Interline Tracer	<b>/</b>	
611	City and Airport Name Abbreviations	<b>'</b>	
656	Automated Data Interchange with Customs	<b>'</b>	
657	Automated Data Interchange With Postal Authorities	<b>'</b>	
670	Cargo Interchange Message Procedures (Cargo-IMP)		<b>/</b>
671	Changes to Cargo Interchange Message Procedures (Cargo-IMP)		<b>/</b>
682	Transfer of Consignments in Member Owned Unit Load Devices		~
685	Marking of Unit Load Devices		~
686	IATA Identification Code for Unit Load Devices		<b>/</b>
696	Airmail Procedures	<b>/</b>	
1600	Use of Standard 'A' Paper Sizes for Documentation		<b>/</b>
1600d	Air Waybill Service Codes		~
1600r	Air Waybill — Validation of Data Format		<b>/</b>
1600t	Use of Bar Codes and Bar Code Equipment in Cargo Applications	<b>V</b>	
1605	Transfer Manifest		~
1608	Glossary of Commonly Used Air Cargo Terms	~	
1610	Definition of Consolidated Consignment	<b>V</b>	
1672	Cargo-FACT Message Standards (Cargo-FACT)		<b>/</b>
1673	Changes to Cargo-FACT Messages (Cargo-FACT)		~
1674	Protection of Privacy and Transborder Data Flows of Personal	<b>'</b>	
	Data Used in International Air Transport of Passengers and Cargo		
1681	ULD Technical Manual	<b>/</b>	

# BACKGROUND/JUSTIFICATION BA PROPOSAL ON RESOLUTION 502 - LOW DENSITY CARGO

#### **Proposal**

British Airways proposes to amend the Low Density Cargo conversion factor from the present 6000 cc to 5000 cc in order to more accurately reflect the current operating circumstances in respect of Aircraft types/capacities and the less dense nature of current air cargo commodities and traffic flows.

#### **Background**

Before October 1981, international air cargo used a volume conversion factor of 7000 cc.

However, at this time, there was a significant industry view that this allowance was far too lenient when considered against the practical experience that most aircraft and routes tend to "volume out" before the weight limitations are reached. Indeed, in the late 1970's, the UK CAA (following strong representation from the national carriers) gave a Government Order imposing a volume conversion factor of 5000 cc. This was subsequently removed when the October 1981 IATA Composite Tariff Conference agreed a compromise whereby the conversion factor under IATA Resolution 502 was amended to 6000 cc.

However, over the past 20 years, despite very significant changes to aircraft weight & flight / distance uplift capabilities no further adjustment has been made to reflect these changes.

Most air cargo today is carried in wide body aircraft, 80% passenger aircraft, pre-dominantly B747 and more latterly 767, 777 and Airbus. The power of the engines used on these modern aircraft such as Roll Royce RB211 & Trent, and the GE90 & GE CF6 provide a substantial increased weight payload over much greater non-stop sectors. However, the available volume capacity has not materially changed. As a result, the benefit of this greater weight uplift capability has not been achieved as the current method of charging for volume space used still means that most aircraft will volume out at approximately 50% of its weight capability.

For example, the original 747-100 series passenger aircraft could only uplift approximately 10 tonnes on a non stop sector such as London -Chicago, whereas the latest 747-400 series can uplift in excess of 25 tonnes weight with a usable space of 72 cubic metres. If all the freight carried on this sector was 6 cubic metres per tonne (or charged as such) the approximately 72 cubic metres of 'usable' space would generate only 12 tonnes chargeable weight.

Therefore the ideal density for airfreight, based on the above example, in order to truly maximise the combination of weight and volume uplift capability, is more in line with a conversion requirement of 3 metres to the chargeable tonne (3000 cc per kg).

Loose freight tendered to airlines would generally bear the same rate per chargeable kilo regardless of its density. Therefore 1000 kgs taking up only 2 cubic metres of space would be priced the same as 1000 kgs taking up 6 cubic metres

A move to 5 cubic metres/tonne would go a long way towards a more fair and equitable charge being levied for lower density traffic.

In addition to the changes in aircraft capabilities, the nature of cargo tendered for carriage by air has changed considerably.......

Heavy machinery and parts there-of have been replaced by hi-tech commodities such as computers, videos, CDs, DVDs, computer games, software, fashion clothing & footwear, aircraft parts, mobile phones and various other electronic equipment. Much of this cargo moves by air as the preferred mode, because the relatively high commodity values provide a more cost-effective option compared to traditional forms of transport such as sea-freight.

These hi-tech goods have generally become lighter in weight due to technology advancements, higher in value and more protectively packed with lightweight packaging materials such as polystyrene.

The present air cargo industry volume allowance is far too lenient, and does not provide an adequate return on the limited capacity available.

#### **Other Transport Comparisons**

#### Sea-Freight

Is normally charged in the ratio 1-1 (for each cubic metre the charge is one tonne)

Therefore a consignment of 1000 kgs taking up 2 cubic metres would be charged as 2 tonnes and a consignment of 1000k taking up 6 cubic metres would be charged as 6 tonnes.

#### Surface / Tir

Road based haulage rates throughout Europe are charged in the ratio 3-1

Therefore a consignment of 1000 kgs taking up 2 cubic metres would be charged on weight – 1 tonne whereas a consignment of 1000 kgs taking up 6 cubic metres would be charged as 2 tonnes.

#### **Summary**

There is a strong case for the air cargo industry to change its volume/weight allowance. Whilst the commercial case indicates that we should be seeking 3000cc per 1kg, in order to reduce the potential market place impact of such a drastic change, we believe that a move to 5000cc would be appropriate at this time.